

# INVESTING IN COMMUNITIES FUND

## 2023-2026

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In response to the challenges of the global COVID-19 pandemic and climate crisis, the Scottish Government has set its course for our economic recovery to be green and fair, supporting the well-being of **all** the people of Scotland.

Our recovery will have at its heart the principles of social renewal – including empowered communities, sustainable places, and shared systems that focus on prevention and equitable collaborative partnerships.

In supporting this commitment, the following presentation forms part of the Scottish Government's pre-launch stakeholder engagement activity in advance of the anticipated opening of the second round of the Investing in Communities Fund in April 2022.

This pre-launch period has included a series of webinars, starting in November 2021, to raise awareness of the fund, including its (i) aims and objectives, (ii) the eligibility criteria, **and, just as importantly** (iii) to provide time for interested community anchor organisations to develop **quality** collaborative, place based proposals in conjunction with local partner organisations.

We have welcomed the feedback from participants during these webinars, and changes to the guidance note have been made to reflect some of the comments received.

# INVESTING IN COMMUNITIES FUND (ICF) INTRODUCTION

- Overview of the Fund
- Aims and Objectives
- What We Are Looking For
- Who Can Apply
- Timeline and Application Process

This presentation is intended to assist interested organisations to prepare and submit applications to the Investing in Communities Fund – or ICF for short.

This presentation therefore highlights the main points we want to make you aware of – **and**, which we think will be of most interest to **you**.

However, you should note that this does **not** replace the guidance note, or the accompanying information fact sheets that we intend to publish on our ICF webpages in advance of the fund opening for applications.

We therefore strongly encourage you to read these documents before completing and submitting an application form.

We will also be publishing Frequently Asked Questions on our website as an additional source of information and guidance.

Details of our website and the ICF mailbox are provided at the end of this presentation, noting that you can contact us via the mailbox if you have any questions that are not covered in the FAQ.

## OVERVIEW OF THE FUND

- 1 April 2023 – 31 March 2026
- Fund value: approx. £10m in each financial year
- Revenue fund, plus small complementary capital budget
- £350k: maximum you can apply for across the three consecutive financial years (includes up to £20k per application for small-scale capital costs, if required)
- £150k: maximum you can apply for in any one financial year
- £5k: minimum you can apply for in any one financial year
- Successful applications: expected to commence activity on or as soon as possible after 1 April 2023, and no later than 30 Sept. 2023

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ICF is a three year fund that will be delivered over the period from the 1<sup>st</sup> April 2023 to the 31<sup>st</sup> March 2026.

The value of the fund is **expected** to be **approximately** £10 million in **each** financial year.

As a **revenue** fund, ICF will provide grant funding to support **eligible** costs associated with **delivering** projects and services that have been designed to help address local priorities, circumstances and needs - **and** that align with ICF's aims and objectives. This includes staff posts, a **proportionate** contribution towards the applicant organisation's direct core running costs, and also small-value items of equipment such as laptops, stationery, training materials and tools.

The **maximum** you can apply for in total over the **three** consecutive **financial** years is £350,000.

This amount **includes** a **maximum of up to** £20,000 **per application** for small-scale capital costs, **but only where** this is **directly** linked to the main ICF revenue project or service. Examples might include **capital** works to help

reconfigure an asset or facility owned or managed by the applicant organisation from which the project or service will be delivered. 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).

If applying for **less than** 3 consecutive years' funding, the maximum you can apply for in a **single financial** year is £150,000.

The **minimum** annual amount you can apply for is £5,000 - for example, to undertake a feasibility study.

As a three year fund, we are expecting that most, if not all ICF funding applications will be requesting grant to support their projects and services over the three full consecutive **financial** years.

However, in **all** cases, successful applications will be expected to commence activity on or as soon as possible after the 1<sup>st</sup> April 2023, and **no later than** the 30<sup>th</sup> September 2023.

As the available funding is limited, we therefore ask that all applicants be realistic **and** reasonable about the amount of ICF grant they request.

## ICF - AIMS & OBJECTIVES

### Applications that address all four areas for action:

- Tackling Poverty and Inequality, including Child Poverty
- Developing and Sustaining Place Based Approaches
- Community-led Regeneration
- Ensuring a just transition to Net Zero

ICF will contribute to the delivery of various national outcomes as set out in Scotland's national performance framework.

It will do so by supporting community anchor organisations based in the places they serve to deliver projects and services in our **least advantaged and most fragile** communities across Scotland, with a focus on **four areas for action**:

1. the first of these being **tackling poverty and inequality - including child poverty** - by this we mean working towards ensuring fewer people experience poverty and inequality; together with improved life chances and opportunities; and also living healthier lives. Your application should also evidence how it will support people in a holistic person-centred way to help address the multiple and complex challenges of disadvantage that people can often experience.
2. **developing and sustaining place-based approaches**, on the other hand, is about ensuring that communities are more resilient, equal and working in partnership to achieve shared ambitions for their place. This means that 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. By doing so, this demonstrates an understanding of the local community, its needs, and its connection to other services and priorities.

3. in turn, this encourages **community-led regeneration** by enabling local people to identify for themselves the challenges and priorities for their areas, and **importantly** to also make decisions on what local solutions are needed. By strengthening the role and offering of **locally-controlled** community organisations, communities also become more sustainable - by empowering local people, and building on the skills and resources within that community.
4. the fourth area for action is **ensuring a just transition to net zero**, where communities are (i) more climate aware, (ii) better equipped to support behaviour change, and, (iii) that are also able to contribute positively to taking action on climate change. Whilst **net zero** refers to a state in which the greenhouse gases going into the atmosphere are balanced by removal out of the atmosphere, **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. For example, by providing skills-training and education to help secure good, high value jobs in green industries like low-carbon manufacturing, renewables, and technology.

Your application **must** identify how your proposal will seek to meet **all four** areas for action.

## WHAT WE ARE LOOKING FOR

### Clear and concise proposals for projects and/or services that:

- Support disadvantaged, vulnerable & fragile communities – urban, rural and island
- Are inclusive, rooted in the community with strong place based collaborative partnership working
- Address locally identified need, involving local people in design, development and delivery
- Reflect the current context of the community you work in
- Commit to the Fair Work First criteria – includes payment of the real Living Wage and gender equal pay for all paid staff posts the fund will support with effect from 1 April 2023

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Building on the learning and approach to delivering covid-emergency response work, we are looking for applications that:

- demonstrate the ways in which your proposal will tackle poverty and inequality - for example, by addressing issues of local socio-economic **or** rural disadvantage using holistic **person-centred** approaches in the place in which your community is based;
- **and**, that have **also** been identified and developed with the involvement and support of people living in the community, in a way that **also** reflects the **diversity** of that community.

**In addition**, by adopting a place-based approach, underpinned by the Place Principle, this will also help you to translate strategic priorities into delivery and action on the ground **and** to accelerate our ambitions for place, 20-minute neighbourhoods, revitalised areas, and community-led regeneration.

Our ICF webpages include additional information regarding the questions you will be asked in the application form, with these including:

1. **what** do you want to do, and **why**?



2. **who** will the activity be aimed at? and
3. **how** will the project be delivered?

Other factors you will also need to consider are:

1. the ways you will connect with other organisations, activities and services in your community to ensure that your project or service is well linked, and that shared **local** skills, assets and resources will be used **collaboratively** to best effect.
2. in addition, you should also consider the project's intended impact and sustainability for individuals and the wider community; and also
3. the ways the project will complement and positively contribute to wider plans in your community.

We will **also** ask you to tell us **how** the impacts of Covid have informed the design of your proposal.

As part of our commitment for Scotland to be a fair and equal society, ICF also asks that all organisations involved in the project commit to the Fair Work First criteria, as **proportionate** to your organisation. **As a minimum**, this includes payment of the real Living Wage and gender equal pay for all paid staff posts the fund will support with effect from the 1<sup>st</sup> April 2023.

You should also consider the outcomes you aim to achieve from your proposal and the activities you will deliver to achieve your outcomes. This will also help you to identify the information you will need to best monitor, track, report on **and evidence your** project's progress.

It is also worth remembering that we are looking for applications that are **clear, specific, relevant, accurate and concise** – ones that **directly** answer each of the questions asked.

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

## JUST TRANSITION TO NET ZERO

One of the fund's four areas for action, which could include:

- Helping your community to take action on climate change as part of your project/service
- Delivering your project/service in a climate-friendly way

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All four areas for action will be key considerations for us as part of the application assessment process.

**However**, as ensuring a just transition to Net Zero is new to round two of the Investing in Communities Fund we recognise that this might not be something you have previously considered when planning your projects and services.

Nevertheless, in developing and designing your proposals we ask that you consider ways in which you have **started** addressing how your project or service will contribute to taking action on climate change.

In your application you will therefore be asked to provide more detail about this.

You may want to consider how you can encourage your community to adopt more climate-friendly behaviours through the activities and services you plan to deliver, **and** the information and advice you will offer. For example, this could include the provision of home energy advice to your community, as well as the promotion of active travel, the delivery of repair and reuse workshops, or promoting lower-carbon food options. These are all ways that can help

your community to take action on climate change.

There are often many overlaps between the activities and services you can deliver to tackle poverty and inequality, and those that help tackle climate change, and it is these activities we want you to develop and incorporate into your proposals. Some of your planned activity may already have additional climate co-benefits, and you should highlight this in your application proposal.

As well as encouraging **positive sustainable** behaviour changes, it is important to increase the understanding of climate change in your community through your project or service. This could be through the provision of information, or more in-depth climate literacy training sessions.

You should also consider how you can reduce the carbon impact of delivering your project or service. Examples of this could be encouraging your staff and volunteers to travel to events more **sustainably** or to hold some events online. You could also think about the energy usage in your office or the venues you use for events. **As importantly**, you should also be considering the environmental impact your purchases will have, and whether the overall benefits of the project or service outweigh this. For example, limiting the amount of single use items you provide at events and considering the environmental credentials of suppliers that you use - such as using local suppliers wherever possible.

We appreciate that this will be new to many of you, and we have therefore provided some useful links at the end of this presentation so that you can reach out to potential partners or to develop your ideas further.

## WHO CAN APPLY

### Eligible applicant organisations:

- 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 – legal status with corporate liability for finances and assets evidenced through registration with a regulatory body e.g. as a SCIO with OSCR, or a charity registered as a company limited by guarantee with Companies House, or be regulated by the Financial Conduct Authority (FCA)
- Community Benefit Society – must be regulated by the Financial Conduct Authority (FCA), or
- Community Interest Company (CIC) – must meet the Regulator of Community Interest Companies' community interest test and asset lock provisions, or
- Community Council – must have an agreed Scheme of Establishment with the Local Authority & a written constitution

### And:

- Has a registered office in the UK and an official operating base in Scotland that is rooted in the community or communities it serves, and operates on a not-for-profit basis for the benefit of the community
- Openly involves and engages with all sections of its community or communities
- Has a governing body, a governing document and involves local people and community representatives in its decision-making structures
- Is solvent, holds a UK bank account, has annual accounts, also with control over all project income and expenditure

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

- those that are incorporated - by which we mean 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 as a charity based in Scotland that is **also** either registered with Companies House as a company limited by guarantee or regulated by the Financial Conduct Authority (FCA).
- You should note that Community Benefit Societies must be regulated by the Financial Conduct Authority.
- Community Interest Companies, on the other hand, must continue to meet the Regulator of Community Interest Companies' community interest test and asset lock provisions.
- Whilst Community Councils must have an agreed Scheme of Establishment with the Local Authority and a written constitution.

**As importantly, all** eligible applicant organisations must **also** have a registered office in the UK with an **official** operating base in Scotland that is **rooted** in the community or communities they serve, **and** which operate on a not-for-profit basis for the benefit of the community.

Eligible applicant organisations **must also**:

- openly involve and engage with **all** sections of their community or communities, consistent with the National Standards for Community Engagement.
- they must also have a governing body, such as a board or management committee, and a governing document that has been formally adopted.
- **and, also meaningfully** involve local people and community representatives in their decision-making structures.

**In addition**, they must be solvent, hold 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.

If your organisation does not meet the eligibility criteria then we will be unable to consider an application from you. **However**, we would instead recommend that you consider working collaboratively with an eligible applicant 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. Whilst this will not be a requirement of the funding application it may help to avoid any issues later on.

As our communication and engagement regarding project proposals will be with the eligible applicant organisation, you should also note that 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 or services that are managed by a third party on the applicant organisation's behalf.

## CURRENT INDICATIVE TIMELINE

- **Fund opens – April 2022**
- **Fund closes – approx. 4 weeks thereafter**
- **Independent Panel – October or November 2022**
- **Notification – by the end of November 2022**
- **All Grant Award letters issued to successful applicants – no later than March 2023**

We anticipate that the fund will open for applications in April 2022.

As an open challenge fund, we are anticipating considerable interest in this funding opportunity.

We are expecting the fund to remain open for approximately 4 weeks, and we would recommend that you submit your application as soon as you are able to do so after the fund opens.

One of the reasons for providing this pre-launch information **now** is therefore to give eligible applicant organisations additional time to develop strong collaborative proposals that fit well with the aims and objectives of the fund.

Assessment of all eligible applications is expected to commence in May 2022.

Thereafter, an independent panel - comprising of representatives from stakeholder organisations that are expected to include national community sector organisations with knowledge in community development - will come together to consider funding recommendations. This is currently expected to take place during October or November 2022.

We expect to inform all applicants of the outcome of their applications by the end of November 2022.

For those applications recommended for support, any final checks that might be required will then be undertaken with the intention that all grant award letters for successful applications will be issued no later than March 2023, **prior to** the grant funding start date of the 1<sup>st</sup> April 2023.

## APPLICATION PROCESS

### Applications must:

- Be submitted by an eligible applicant organisation
- Include a fully completed project budget template
- If unable to answer a question please explain why
- Not be materially incomplete
- Be signed by an authorised signatory
- Not include any attachments, supplementary documents or embedded hyperlinks
- Application form and other documents - alternative formats

Application forms **must** be submitted by an eligible applicant organisation.

You should note that there will be character or word limits for some of the questions in the application form, details of which you can find on our ICF webpages.

As part of the application, you will be required to submit a project budget template detailing the project costs, the amount and sources of all match funding – including details of whether this is confirmed or not – **and**, the total annual ICF grant being requested.

Project proposals can request 100% ICF grant to cover all **eligible** project costs, **however**, securing additional funding from partnerships and other funders is also welcomed as this indicates stronger support and collaboration.

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.



You should ensure that your completed application form is signed and submitted by an appropriate person for your organisation that is authorised to make an application for grant funding. **And**, that they are available to respond quickly to any requests for clarification that might follow.

We will only be able to consider information that you provide in the application form and project budget template. Therefore, please **do not** include any supplementary attachments or hyperlinks, as these will **not** form part of the assessment of your application.

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 form.

You should therefore remember to **quality assure** your application before submitting to us. This includes ensuring that expenditure figures are consistent with the start and end dates of your project, and are also profiled to be incurred during the relevant financial year running from the 1st of April in one year to the 31st of March in the following year. **In addition**, please remember to check that all financial figures are accurate and that the totals correctly add up.

If you require the application form or any of the other supporting documents in an alternative format please email the ICF mailbox **as soon as possible**. We strongly recommend that you do this **before** the fund opens for applications.

## ASSESSMENT PROCESS

- Applications from ineligible organisations will not be assessed
- We will not be able to assess your application and/or budget template if they are materially incomplete
- Eligible applications will be assessed against set criteria for ICF aims and objectives
- We will assess costs for eligibility
- Other considerations e.g. geographic spread
- Considered by an Independent Decision Panel

All applications will **first** be reviewed against the basic eligibility criteria for applicant organisations, meaning that applications submitted by an **ineligible** organisation will not be assessed.

Similarly, ineligible and/or materially incomplete applications and budget templates will be rejected and will therefore not be assessed.

All **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 - as detailed in the guidance note.

Sustainability, positive impact and lasting benefit are also important aspects of all proposals, meaning that this will also be considered as part of the assessment process.

We will also consider whether your project budget demonstrates value for money relative to the project's anticipated impact and outcomes, noting that we may not offer an award at the full amount requested should your application be recommended for support.

Ineligible costs include those that do not **directly** support and enable delivery of the project, service or its outcomes. Examples include: notional costs such as depreciation, contingency costs in case of unexpected expenses, and staff redundancy costs.

Neither can ICF grant be used as a subsidiary fund for other organisations to bid or apply into - with the **sole** exception of participatory budgeting activity.

We **will not** be able to accept replacement application forms and budget templates for consideration should you later identify that the information provided was incomplete or incorrect. Therefore, please remember to review the information you provide before submitting to us and also ensure that all information provided is **clear, specific, relevant, accurate and concise**.

Building on the learning from ICF Round 1, and new ways of working collaboratively during the pandemic, we may also 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.

While dependent on the volume, quality and geographical location of applications, consideration will also be given to the spread of investment across all of Scotland's 32 local authority areas.

All eligible applications will be considered by the Independent Panel, which is currently expected to meet during October or November 2022.

You should also note that the Independent Panel's decision will be final and that the panel will not revisit decisions.

## FURTHER INFORMATION

### *ICF and Climate Action:*

- ICF SG webpage: <https://www.gov.scot/policies/community-empowerment/empowering-communities-fund/>
- Climate Change Community-led Climate Action – gov.scot ([www.gov.scot](http://www.gov.scot)): <https://www.gov.scot/policies/climate-change/climate-challenge-fund>

### *Other funding options/stakeholder networks:*

- Scottish Communities CAN – Scottish Communities Climate Action Network: <https://www.scottishcommunitiescan.org.uk/>
- SCVO: <https://scvo.scot/funding>
- Our Place website: [www.ourplace.scot](http://www.ourplace.scot)

### *Contact us:*

- ICF mailbox: [InvestinginCommunities@gov.scot](mailto:InvestinginCommunities@gov.scot)

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This slide provides some additional information, including where to find our website, as well as some other stakeholder networks that you might wish to contact in considering next steps for your project proposals and the ICF mailbox address should you have any questions that aren't covered by the guidance materials and FAQ.

We hope you've found this presentation helpful, **however**, as mentioned at the start of the presentation, please remember that this does **not** replace the guidance note and other information that we intend to publish in advance of the fund opening for applications.

Therefore, to enable you to decide whether or not to apply to the Investing in Communities Fund we recommend that you consider **all** of the other information on the ICF webpages of the Scottish Government's website.

Thank you.

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