

Scottish Land Fund

Ionmhas Fearainn Na H-Alba

Guidance Notes



Delivered by



Funded by



Scottish Land Fund Programme Guide

Further copies available from:

Email: advicescotland@biglotteryfund.org.uk

Phone: 0300 123 7110

Our website: www.biglotteryfund.org.uk/SLF

Accessibility

Please contact us to discuss any specific communication needs you may have.

Our equality principles

Promoting accessibility; valuing cultural diversity; promoting participation; promoting equality of opportunity; promoting inclusive communities; reducing disadvantage and exclusion.

Please visit our website for more information.

We care about the environment

The Big Lottery Fund is working towards sustainable development and the use of sustainable resources.

Our mission

We are committed to bringing real improvements to communities and the lives of people most in need.

Our values

We have identified three values that underpin our work: making best use of Lottery money, using knowledge and evidence and being supportive and helpful.

You can find out more about us, our values and the funding programmes we run by visiting our website

www.biglotteryfund.org.uk

The Big Lottery Fund is committed to valuing diversity and promoting equality of opportunity, both as a grantmaker and employer. The Big Lottery Fund will aim to adopt an inclusive approach to ensure grant applicants and recipients, stakeholders, job applicants and employees are treated fairly.

© Big Lottery Fund, April 2017

Welcome to the

Scottish Land Fund



Community land ownership has the potential to deliver significant benefits both locally and to Scotland as a whole. It can play an important role in building independent, resilient communities, creating a sense of confidence and boosting community empowerment.

Scotland's land is one of our greatest natural resources. This Government sees community ownership as a vital tool to help unlock the potential in underused areas and, for this reason, I want to continue to encourage more opportunities for communities to acquire land.

I see the Scottish Land Fund as a key lever in achieving this vision. Taking advantage of recent extensions to the community right to buy process, in both urban and rural areas, the Scottish Land Fund now gives more people the option to reap the rewards of community ownership by giving them access to the funds to purchase plots, land and buildings, and guidance to help fully realise their visions.

To help support this process, the Scottish Government has committed to maintaining the increased budget for the Fund in 2017/18 at £10 million.

We are also committed to working with our partners, the Big Lottery Fund Scotland and Highlands and Islands Enterprise, to ensure the expanded Fund makes the best use of existing resources and expertise, and maximises the Land Fund's support we offer to ambitious community groups.

These are exciting times for communities in Scotland and this Fund will help more of them to take control of their own destinies and build the successful, flourishing communities of tomorrow.

Roseanna Cunningham

Cabinet Secretary for Environment,
Climate Change and Land Reform

Front Cover:
Claire Reid, Education Manager welcomes young visitors
to the Fife Ecology Centre, Kinghorn



About the Scottish Land Fund

Aim of the Scottish Land Fund

The Scottish Land Fund supports communities to become more resilient and sustainable through the ownership and management of land and buildings.

It will fund projects that empower communities through asset ownership and strengthen their voices in the decisions that matter to them.

What changes will the Scottish Land Fund support?

We call the changes we want a grant programme to make outcomes. Successful applicants will demonstrate that their project will contribute to the Scottish Land Fund outcomes.

1. Our communities will achieve more sustainable economic, environmental and/or social development through ownership of land and buildings.
2. Our communities will have a stronger role in and control over their own development.
3. Our communities own well-managed, financially sustainable land and buildings.

The best projects will deliver strongly against all three outcomes.

We will prioritise applications that can demonstrate a significant positive impact for the community as a whole.

What types of projects will we fund?

We will fund the purchase of land, land assets and buildings which can contribute to the overall sustainability of a community or enable the retention or provision of key local services. Land assets are resources that are associated with the land such as standing timber, mineral or riparian rights and energy opportunities.

The Fund can support acquisition of many types of land, land assets and buildings ranging from large estates and forestry to community shops and hubs.

We will consider whether the asset to be acquired is an asset or liability when assessing applications.

Any land or building acquired must be capable of delivering a level of income which ensures it does not become a liability for the community in the long term.

If projects require substantial investment post acquisition to meet the project outcomes, we will expect information on how the post acquisition development will be funded. An application to the Scottish Land Fund is unlikely to be supported unless it can be shown that the investment or funding required to deliver the project outcomes is likely to be secured.

We strongly encourage applicants to speak to funders and investors likely to be involved in these projects at the earliest opportunity. This is especially relevant for historic and complex buildings and sites where early discussions with funders will be crucial to the outcome of your Scottish Land Fund application.

In exceptional circumstances the Scottish Land Fund can support projects that involve the provision of affordable housing. Applicants must demonstrate a significant housing need that is having a negative impact on the sustainability of the community. Your Scottish Land Fund adviser can explain in more detail the Fund's approach to housing projects.

We want to fund projects that:

- Put communities in control of local land, land assets and buildings which are important to their economic, social and environmental development
- Enable communities to manage local land, land assets and buildings well and deliver benefit for the whole community
- Empower communities to realise the opportunities they see in local land, land assets and buildings to meet local needs

- Deliver real community involvement and participation in land and building ownership and management
- Help communities realise the opportunities created by the Land Reform (Scotland) Act 2003, the Land Reform (Scotland) Act 2016 and Community Empowerment (Scotland) Act 2015
- Help create resilient and supportive communities where people take responsibility for their own actions and how they affect others

What do we mean by community?

When we talk about community, we mean a geographic community, not a community of interest. Organisations which apply to the Scottish Land Fund need to be representative of the community and have a defined boundary. The land or buildings being acquired should be within or close to the defined community with a clear link between the asset and the community.

How much money is available?

The Scottish Government has committed £10 million to the Scottish Land Fund for 2017-18. You can apply for up to £1 million per application. In exceptional circumstances, larger grants may be available.

The average grant size in the previous Scottish Land Fund was under £190,000; the smallest grant awarded was £14,000 and the largest was £750,000. We would expect to see this diversity of grant awards in this Fund.

How much can we apply for?

We anticipate that over the life of the fund, the average contribution to eligible project costs will be 80%. While we can fund up to 95% of eligible project costs we need to be sure that the Scottish Land Fund achieves maximum value for money so that we are able to assist the largest number of communities possible. We will carefully consider the levels of assistance required to enable you to successfully complete your project.

Levels of locally-generated investment are an important indicator of local support and capacity and we will take this into account in our assessment and decision making.

As a minimum, 5% of your funding should come from other sources including your own fundraising efforts, negotiated discounts on the valuation, or other funders.



Application process

We use a two stage application process.

At stage 1, we will ask you to complete a short form to gather basic information about your project and your organisation. We will use this to check your eligibility.

You can also request a technical assistance grant at this stage to help you develop your project. If you are invited to proceed at stage 1 you will work with your Scottish Land Fund adviser to develop your project and meet the eligibility requirements for stage 2.

At stage 2 you will be asked to complete a full application form for funding towards the acquisition.

Stage 1 – Technical assistance funding

Technical assistance funding is available to help you prepare to purchase an asset. These grants can be between £2,500 and £30,000. We can fund up to 100% of your technical assistance costs. Grants can fund specialist advice and/or professional fees including the preparation of feasibility studies and business plans, valuations and surveys as well as some costs towards community engagement. We will not fund salary costs or capital expenditure with a technical assistance grant.

As part of your application for technical assistance funding, we expect you to demonstrate some community support for your project; a clear explanation of the community need your project aims to address and details of the asset you wish to buy.

If you are successful at stage 1 and are not granted technical assistance funding, we expect you to submit your stage 2 application within 3 months of the date of your stage 1 confirmation letter.

If you are awarded a technical assistance grant you need to complete all work and have spent the grant before sending us your stage 2 application. We expect you to submit your stage 2 application within 6 months of the date of your stage 1 confirmation letter.

The technical assistance grant will be counted as part of your eligible project costs and will affect how much revenue funding you can ask for when you move on to the next stage.

Stage 2 – Acquisition funding

We can fund both capital and revenue costs associated with the acquisition of assets. Stage 2 acquisition grants can be between £10,000 and £1,000,000. We do not fund any of the costs of converting, restoring or developing the asset once you have bought it. Your Scottish Land Fund adviser will be able to signpost you to other potential sources of funding for this stage of your project.

We do not fund revenue-only grants, and you can apply for no more than £100,000 of revenue funding as part of a grant from the Scottish Land Fund. If you are awarded a technical assistance grant at stage 1, the technical assistance grant plus revenue funding for start-up costs after acquisition must be within this limit. For example, if you were awarded £20,000 for technical assistance costs, you could ask for a maximum of £80,000 towards start-up costs once you own the asset. When we assess your application we will discuss your costs in detail. Your Scottish Land Fund adviser will be able to advise you on eligible costs.

Capital costs

By capital costs we mean a grant towards the value of the land, as determined by an independent open market valuation. The purchase price may be higher than this. We

will also fund reasonable professional, title mapping and legal fees associated with the purchase.

Revenue costs

The Scottish Land Fund will principally fund acquisition costs but you can request some initial help with the start up costs of your project after acquisition. You could include costs for employing a development worker, running events to increase community involvement, training and developing the skills you need to run your project or getting specialist support.

Ineligible costs

There are some costs we can't fund.

These include:

- Costs to develop, restore or refurbish the land or buildings once you own them
- Costs or expenditure incurred before you accept our grant offer
- Any costs which someone else is paying for
- Items that only benefit an individual and are not needed to deliver the project outcomes
- Funds to build up a reserve or surplus
- Loan repayments
- Contributions to general appeals



Cheers from the members of the Garnock Valley Badminton Club pictured at the Beith Trust Meadowside Pavillion, Ayrshire

Demonstrating project viability

We need to make sure that this investment will deliver real benefits and that you have effective plans in place to ensure your project is successful.

You will need to submit a business plan along with your application which sets out your initial plans for the management and development of the land, land asset or building you propose to acquire in at least the first two years of ownership and provides an outline of your longer term plans too.

Your Scottish Land Fund adviser will support you to create a business plan which is proportionate and appropriate to your project.

How to apply

If you want to apply for funding from the Scottish Land Fund please contact us to discuss your idea. If you are eligible to apply we will give you an application form. You will have a named adviser who will support you through the application process.

To discuss your idea and to be referred to a Scottish Land Fund adviser, please contact our Big Lottery advice team on:

T: 0300 123 7110

E: advicescotland@biglotteryfund.org.uk

To make a stage 1 or stage 2 application, please send this to: scottishlandfund@biglotteryfund.org.uk

We prefer to receive applications by email.

If you are unable to email your application, please send a hard copy to:

Scottish Land Fund, Big Lottery Fund
Pacific House, 70 Wellington Street
Glasgow G2 6AU

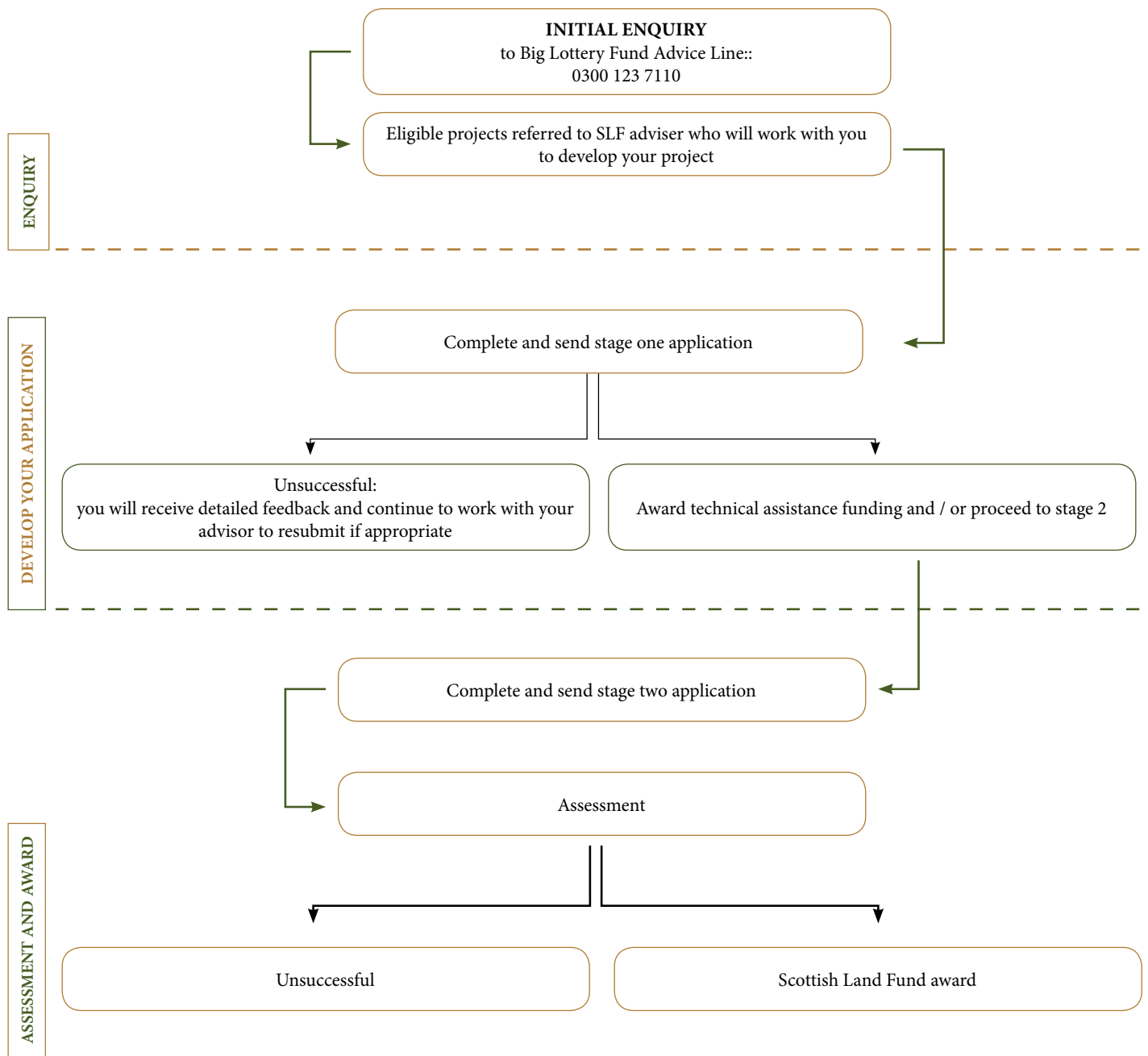
How we will assess your project

We will use your business plan along with your application to assess how effective and well thought through your plans are.

We will assess the quality and/or value of:

- The opportunities that the land, land asset or building represents for your community
- The quality of your plans to realise those opportunities
- The extent to which local people are engaged in and supportive of your project
- The economic, social and environmental benefits your project can deliver for your community
- Your organisation's skills and capacity to deliver your project
- Your understanding of the liabilities and responsibilities you will be taking on
- Your understanding of the initial cash flow you will need in place to ensure that you can generate enough income to deliver a well-managed, financially sustainable community asset

We will also consider whether your project represents good value for money for the cost of the land, land asset or building you plan to buy and the benefits you expect to deliver.





Who can apply?

Stage 1 – Applicant eligibility

We will work with a wide range of representative community bodies such as voluntary organisations, social enterprises or community councils to test out and develop initial ideas about community ownership and investigate the feasibility of taking a project forward.

We can work with you and award a technical assistance grant if your organisation meets the following criteria:

- Your organisation is a voluntary or community organisation, community council or social enterprise.
- Your organisation has a written governing document (for example, a constitution, set of rules or deed of trust)
- There are at least three unrelated people in your management committee or governing body.
- You have a UK-based bank or building society account in the name of your organisation that requires at least two people (who are not related and do not live at the same address) to sign cheques or make a withdrawal.

Stage 2 - Applicant eligibility

There are some additional eligibility requirements at stage 2. These are to ensure your organisation has a structure appropriate to the responsibilities and obligations of asset ownership. Furthermore, as we want to fund projects that put communities in control of local assets to meet local needs, we want to ensure your organisation is community-led and controlled and that there is a clear link between the asset and the local community.

To be eligible to receive a grant for the purchase of land, land asset or a building, organisations must be a corporate body. This means it has a separate legal identity from its members and can enter into contracts and hold property in its own name. Examples of appropriate corporate body structures include: a company limited by guarantee; a Scottish Charitable Incorporated Organisation (SCIO); a Community Interest Company (CIC); and a Community Benefit Society (BenCom).

In addition, all organisations irrespective of structure type must have the following clearly set out in its governing document:



1. Definition of Community

This is to be a geographic community as opposed to a community of interest. The boundary of the community to which the organisation relates must be clearly defined. For example, it could take the form of a community council area, parish boundary, local authority ward or could be defined using postcodes. We expect the boundary to be inclusive and to reflect commonly understood definitions of places and not cut across commonly recognised community boundaries.

2. Social Purpose

The organisation's main purpose must be consistent with furthering the interests of the defined geographic community. As we wish to support projects that will benefit the community as a whole, the Scottish Land Fund is best suited to organisations with a broad community benefit purpose and a good uptake of membership from within the defined community. Organisations that have a more narrow purpose can only be considered if they meet our eligibility requirements and the applicant can demonstrate the project will deliver wider benefits.

3. Open Membership

Ordinary (or voting) membership must be open to everyone over 16 years (over 18 years is also acceptable) living within the defined geographic community. By 'open membership'

we mean that membership eligibility requirements are to be inclusive and not discriminatory in terms of individual characteristics or circumstances such as race, religion, or gender. In addition, individuals who meet the eligibility requirements are to be admitted as members.

4. Community Control

Community control must be demonstrated at both membership and board level. The majority of the organisation's voting members must be individual ordinary members and resident within the defined community. More than half of the voting seats on the board must comprise community directors resident within the defined community and elected by the membership.

5. Non Profit-Distributing

Surplus funds or assets should be reinvested into the work of the organisation to further its objects and not be distributed to members or others. In the event of the organisation being wound up, assets at dissolution must be passed to a non-profit distributing body with similar objectives.

Your Scottish Land Fund adviser will work with you during the development of your project to ensure you have an appropriate organisational structure in place.



Vision Mechanics creating art in Tiroran Community Forest, Isle of Mull

Timescales

When you are referred to the Scottish Land Fund, your adviser will discuss your timescales with you. As a guide, in most circumstances the minimum time between application and decision for an applicant that does not need technical assistance funding will be 4 months.

If your application is time sensitive we advise that you contact us as early as possible and apply no less than 2 months before you will need a decision.

Other sources of help to develop your project

The **Big Lottery Fund's** community assets grants programme can also support communities to acquire and develop assets but it is highly competitive. You may also be able to get help developing your project through other funding.

For more details contact the Big Lottery advice team on advicescotland@biglotteryfund.org.uk or visit www.biglotteryfund.org.uk/scotland

Highlands and Islands Enterprise's Community Assets team work with communities throughout their area to develop and manage community- owned assets.

For more details visit www.hie.co.uk. HIE has developed a detailed online guide called Ten Steps to Community Ownership:
www.hie.co.uk/ten-steps

Community Land Scotland is the membership network for aspiring and established community landowners. It works to ease the process of taking ownership of land and provides a representative voice for the sector

For more details visit www.communitylandscotland.org.uk

The Development Trusts Association Scotland is the national body for development trusts in Scotland, supporting groups to unlock the potential within their community.

Their **Community Ownership Support Service** can advise communities on asset transfer.

For more details visit www.dtascommunityownership.org.uk

Rural communities wishing to develop affordable housing projects should contact the **Rural Housing Fund**.

For more details visit <https://beta.gov.scot/policies/more-homes/rural-housing-fund/>

Communities considering acquiring historic buildings or assets should contact the **Architectural Heritage Fund**

<http://ahfund.org.uk/> and the

Heritage Lottery Fund

<https://www.hlf.org.uk/>

For more information on the use of the **Land Reform (Scotland)** Act and the community right to buy go to:

www.gov.scot/Topics/Environment/land-reform and www.gov.scot/Topics/farmingrural/Rural/rural-land/right-to-buy/Community

For more information on legislation to support community ownership go to:

[Community Right to Buy](#)

www.gov.scot/Topics/farmingrural/Rural/rural-land/right-to-buy/Community

[Asset Transfer Requests](#)

www.gov.scot/Topics/People/engage/AssetTransfer