

Economic Development



Community Development Fund 2023 Tranche

GUIDANCE NOTES



ORKNEY
ISLANDS COUNCIL

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1. Eligibility criteria for the Community Development Fund (CDF) continue to be flexible with each project being considered by the Council's CDF Sub-committee on its own merits. All projects assisted by the CDF must provide benefit to, or be available to, the community as a whole. Funding is not prioritised to any particular area(s) of Orkney.
2. The following basic principles have been applied:-
 - projects supported by the CDF should have a widespread and long-lasting community benefit.
 - the CDF should attract the maximum amount of external match funding into the County as possible.
 - there should be no ongoing cost to the Council as a result of any of the projects supported by the CDF.
 - no CDF assistance should be given to projects that would normally be carried out by the Council itself; and
 - all CDF assistance is discretionary.

The intention of the CDF is that a project should be sustainable for a minimum of 15 years without any additional assistance from the Council.

3. Social enterprise projects - where the intention is to generate revenue not for commercial profit but for reinvestment in the local community - should access the advisory services provided by Voluntary Action Orkney* with a view to exhausting all other funding possibilities, before applying to the CDF.

[* Voluntary Action Orkney, Anchor Buildings, Bridge St, Kirkwall KW15 1HR
Tel: 01856 872897 <http://www.orkneycommunities.co.uk/VAO/>]

4. Formally constituted community groups can apply: in the past community councils, development trusts, community associations, heritage societies and many other local community groups have successfully applied for funding.
5. Capital projects with a minimum project cost of £5,000 may be eligible for support. Routine maintenance and like-for-like replacement proposals are not eligible.
6. Where appropriate, the applicant must provide evidence of title to any property to be upgraded, prior to approval of any grant assistance. To be eligible for assistance, any property to be improved must be in the total control of the applicant and in the ownership of a locally based organisation. Any lease of a

property to be developed using CDF should be for as long as possible and for a minimum of 15 years.

7. Applicant groups wishing to undertake feasibility studies to determine the need for, and viability and sustainability of, major capital projects, can apply for grants of 50% of costs, up to a maximum grant of £10,000, with powers delegated to the Corporate Director for Enterprise and Sustainable Regeneration to approve such applications. If the request is for more than £10,000, then the application will be presented to the CDF Sub-committee for a decision.
8. Determination of CDF grant requests towards smaller-scale projects, of up to £10,000, will be delegated to the Corporate Director for Enterprise and Sustainable Regeneration to approve such applications. If the request is for more than £10,000, then the application will be presented to the CDF Sub-committee for a decision.
9. Funding of 50% of eligible costs, up to a maximum CDF grant of £100,000 per project, may be available, although funding to play park projects is now restricted to 25% of project costs. The CDF Sub-committee can exceed these limits if it considers that a project represents a considerable community benefit to Orkney, for example by attracting significant sums of external funding into the County.
10. All CDF applications should seek to demonstrate positive attributes in respect of the following factors, each of which will be assessed and evaluated in the report to the CDF Sub-committee on the application:-
 - evidence of need (for example, this could be demonstrated by a local survey)
 - sustainability
 - achievability
 - serving the local public and having lasting benefits
 - opportunities provided or upgraded
 - enriching quality of life
 - value for money
 - partnership funding
11. Applicants should therefore attempt to address the factors detailed at 10. above in a Development Plan, which should accompany any application for CDF support. Applicants are encouraged to provide as much relevant information as possible in their Development Plan to assist the Council in considering the proposals.
12. Applicants are encouraged to seek endorsement of their project proposals from the relevant local community council(s), and to include this within their Development Plan.

13. Evidence of efforts made to secure match funding should be submitted along with the CDF application. CDF Officers will suggest relevant sources of possible match funding at the enquiry stage and applicants are required to demonstrate that they have followed up these recommendations accordingly.
14. However, confirmation of the rest of the funding required to enable the project to proceed is not required at the application stage, although such confirmation will be required before any funding from the CDF is paid out.
15. In order to demonstrate that applicant groups have endeavoured to achieve best value, the following basis for determining project costs has been adopted:-
- for projects with estimated capital costs in excess of £250,000, a budget costing, compiled by a surveyor or other competent person, should be submitted with the CDF application: successful applications will be subject to a requirement to demonstrate that a competitive tendering exercise has been carried out with at least three tender bids being sought.
 - for projects with estimated capital costs of between £100,000 and £249,999, successful applications should be subject to a requirement to demonstrate that at least two competitive quotations have been obtained; and
 - for projects with estimated capital costs of under £100,000, estimates for all project costs should be submitted with the CDF application.
16. If CDF assistance is approved, projects should commence within one year of the date of offer, or the offer may be withdrawn. All claims should be submitted within three years of date of the offer of CDF grant. However, the Corporate Director for Enterprise and Sustainable Regeneration has delegated powers to extend offers / final claim dates by up to twelve months.
17. No legal undertakings will be required in respect of projects undertaken by community councils, or in respect of any project with a total value less than £10,000. In such cases a grant funding agreement will be required.
18. Where a total project cost exceeds £10,000, the CDF Sub-committee will determine whether appropriate security should be taken over any appropriate heritable property improved as a result of the projects. The applicant group's own legal costs in this regard, together with the costs of any necessary statutory consents, should be included in the total project cost for the purpose of calculating grant assistance from the CDF.
19. CDF grants are subject to the following grant obligation periods: five years for grants of up to £20,000 and ten years for grants in excess of £20,000. This

means any assets purchased or improved using CDF funding cannot be sold or otherwise disposed of during this period without the Council's prior permission.

20. Any additional funds awarded to the project, from any other source, following final approval of grant assistance from the CDF, must be reported to the CDF Project Team, following which any grants approved by the CDF Sub-committee will be subject to adjustments. Measures to ensure that projects do not achieve more than 100% funding in total, when all sources of funding have been confirmed, will be applied as required on a project-by-project basis.
21. The applicant will be required to submit audited final accounts to the Council's CDF Project Team within twelve months of the project being completed.
22. Successful applicants will be required to acknowledge assistance provided by the CDF in all press releases and marketing materials, etc. The Council will be entitled to place a plaque, etc. in or on any premises supported by the CDF.