

# Flash Report

July - September 2023



Foundation  
Scotland

# Welcome to our Flash Report for July to September 2023

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It's been a busy summer here at Foundation Scotland. The somewhat soggy season notwithstanding, we've had lots to celebrate, including a new community benefit fund partnership with the [Great Glen Energy Co-op](#), a street party courtesy of Social Investment recipients [Space@The Broomhouse Hub](#) (more of which later), and working alongside the [Scottish Building Society Foundation](#) to support awards from their very first grants programme.

But one of the highlights of the last quarter for us here at Foundation Scotland has been our second 'Mistakes in Philanthropy' event...

You may not be aware, but down a hidden cobbled street in the West end of Edinburgh lies the small but perfectly formed Library of Mistakes, described as **'a hub of research, intellectual curiosity and conviviality'**, dedicated to **'the study of financial history, so that both professionals and the investing public can avoid the mistakes of the past.'**

As we have been supporting philanthropists and donors for many years at Foundation Scotland, we decided to host a series of events where we turned the lens of curiosity on the world of philanthropy.

Last year, we welcomed Sir John Timpson to talk about his philanthropic journey and what he had learned along the way. This year, on a surprisingly balmy evening in September, we said hello to philanthropist Jonathan Ruffer.

On a personal level, Jonathan is quirky, inquisitive, open minded, incredibly charming and has a smile that would light up, well, a library in Edinburgh.

Professionally, he is enormously passionate, and his philanthropic work has been driven by his personal vision and a desire to, in his own words, do good.

Jonathan is perhaps best known for his philanthropic journey for the benefit and regeneration of Bishop Auckland in County Durham. Although he is not actually from those parts himself, Jonathan has invested approximately £160 million in the regeneration project, which has unsurprisingly had its challenges along the way – he spoke candidly of those at the event.

However, no-one can deny that his journey has been remarkable, and one which has already built quite a legacy. Of his own journey, and learnings along the way, Jonathan mused, **‘It’s like everything else. If you predict one hundred things, you get three of them right.....’**





## Community-led funding

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Over the last 15 years, **community benefit funds** from onshore wind renewable projects have become a valuable – even critical – source of independent funding into some of Scotland’s communities.

**Community benefit funds** come in different shapes and sizes and there are many variables across and between arrangements. These include how the area of benefit is determined, who administers the annual payments, who is making decisions about fund strategies and how the money is spent. But what they all have in common is that communities themselves decide how funds are used.

Foundation Scotland is the leading national administrator of community benefit funds in Scotland. Through the provision of specialist fund design, grant-making, facilitation and fund management services, we currently support more than 350 communities to distribute around £7 million annually from seventy different community benefit funds.

# Community Benefit Funds – a review of their design, operation and governance

Because Community Benefit Funds are designed to suit the community they benefit, they vary in terms of governance, administration arrangements and impact. We wanted to find out which approaches were most effective and where – and how – lessons could be learned and shared.

In order to do this, Foundation Scotland has appointed **University of Strathclyde** to undertake a study of the community benefit work we have been doing for over 15 years in partnership with communities and developers across Scotland. The project team, led by **Professor Matt Hannon** in the Hunter Centre for Entrepreneurship within Strathclyde Business School, brings a mix of expertise across business, public policy, engineering anthropology and community engagement – and a deep understanding of the challenges and opportunities of community-led action.

By reviewing key features of effective practice and lessons learned, this study aims to contribute to bridging the gap in knowledge and understanding about community benefit funds from renewables.

With projected community benefit funding from onshore wind alone set to increase to over £60 million by 2030, it's really important that learning from practice to date is identified and shared to help inform the next era of community benefit arrangements and delivering long-term community wealth building.

**“Through our long standing work with communities and developers and owners of renewables projects, Foundation Scotland has developed significant expertise about designing and implementing community benefit funds. They are a unique feature in Scotland’s funding landscape and are helping drive communities to direct their own futures. We’re really looking forward to the lessons and insight this study will bring.”**



# Social Investment – a growing programme of support

At Foundation Scotland, we have a social investment team who can offer support and expertise to social enterprises, community organisations and charities who are looking for a new way to start or grow their business. Over the past 11 years, we have invested over £12.5 million in 72 organisations around Scotland.

Like many businesses, social enterprises often need investment to start up and grow or develop and expand. The social investment that Foundation Scotland provides is a unique form of blended grant and loan. We offer 25% grant with a 75% loan, and our interest rate on loans is not linked to the base rate.

Until very recently, we offered social investment support in eighteen local authority areas in Scotland. **We are now growing our reach and offering this support to all thirty-two local authority areas across the country.**

Our support creates unique value for social enterprises in Scotland by giving their owners the freedom to develop their businesses and be ambitious. We want to continue to grow our social investment portfolio so we can support even more grass roots organisations to deliver social impact locally and develop a thriving, sustainable business.

[Find out more here.](#)



## Spotlight on.... Space @ The Broomhouse Hub



For over 30 years, Space @ The Broomhouse Hub has delivered transformative personal, social and community development opportunities for local people in and around Broomhouse, Parkhead and Sighthill. The charity offers training, volunteering and employment opportunities for those disadvantaged by poverty or other limiting factors, counselling and befriending support, community food initiatives including school holiday support, social groups for isolated older people, and a range of classes and groups designed to support mental health and wellbeing.

Across the last few years, the charity has tripled their staff capacity and doubled the reach of their vital support services post-pandemic. They cite the development of their multi-purpose community hub as the catalyst for this expansion. Foundation Scotland's social investment played a pivotal role in this development.

**The Foundation Scotland social investment relationship with Space @ Broomhouse began in 2018.** The two organisations had already worked together on several grant awards, but with growing demand for their services and an ambitious strategy in place, the team at Space turned to Foundation Scotland for expert advice and growth funding, which over time has totalled £500,000.



They recently held a street party to celebrate the project and provide a community fun day for local people. We were honoured to be invited and see first-hand the difference this kind of investment can make at a grassroots level.

Chris Holloway, Head of Social Investment at Foundation Scotland attended the shindig: **“Today will go down in folklore, where one person tells you there were 100 people there and next year they’ll say there was 1000. It’s been absolutely fantastic, we were delighted to be welcomed along, take part and see the community in action – we love it.”**

Get in touch: [socialinvestment@foundationscotland.org.uk](mailto:socialinvestment@foundationscotland.org.uk)





# Philanthropy and fund news

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We work with more than four hundred donors across Scotland, who contribute to over two hundred and fifty funds. From supporting children's health and wellbeing in Aberdeenshire to tackling food poverty in Dumfriesshire, our donors address a range of challenges faced within Scotland's communities.

## Tackling Inequalities

Our newest fund is called 'Tackling Inequalities' and is the first thematic fund that Foundation Scotland has delivered. Seven projects have received a funding total of around £500,000.

The aim of the Tackling Inequalities fund is to provide organisations with the financial support to develop, test, implement or scale up activity that contributes to tackling and reducing inequalities either in their local areas or through their project more widely. Funding will help groups go beyond dealing with the symptoms of inequality and contribute to reducing it at its root causes. Giving agency to communities themselves to work in this 'upstream' way can help build an evidence base for what works and begin to challenge traditional systems.

**Helen Wray, Head of Philanthropy at Foundation Scotland has been working on the project since the idea first took form: "We wanted to develop a new fund to test local, community-led approaches to preventative, or 'upstream' solutions that tackle some of the barriers to equality. Alongside responding to immediate and vital demands, Foundation Scotland is increasingly adopting a developmental approach, allocating funding to groups working differently to create a fairer and more just Scotland. We'll be learning from the funded projects about their own approaches and what works well, which will help inform our own thinking in the future."**

The three-year funding programme is being delivered in partnership with the Wellbeing Economy Alliance Scotland, an organisation that envisions an economic system that has wellbeing at its heart, and ensures everyone can experience fairness and connection, and participate in the decisions that affect them.

All seven projects will participate in a learning journey together to provide local, first-hand evidence on what helps and what hinders a society based on greater equality.

[Read more here](#)



## And lastly... a few fond farewells

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We have had – and continue to have – some exceptional Trustees at Foundation Scotland and it's always difficult to say goodbye when one of them reaches the end of their 9-year tenure.

It was with a particularly soggy hankie that, in September, we said goodbye to Ian Marr who, after nine VERY busy years with Foundation Scotland, stood back from his Foundation Scotland duties, not just as a Board member but also as the Chair of our Social Investment Committee.

Another of our Trustees, Professor Tobias Jung of St Andrews University describes philanthropy as the giving of talent, time, treasure, ties and trust. In these terms, Ian has been a great philanthropist in his nine years as a trustee and his input will be missed.

We hope he has many happy years telling tales of Orkney to his eight grandchildren.

**Thank you Ian.**



# Farewell John..

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We also bid fond farewell to John Kelly who, alongside Ian, was a member of the Social Investment Committee. John was originally part of the Resilient Scotland mentor programme, then became a board member of Resilient Scotland for almost six years. John served his roles with us diligently and expertly and we are grateful for the support and dedication that he provided.

**Thank you John.**

## JULY - SEPTEMBER 2023



VALUE OF NEW DONATIONS:  
£6,776,390



TOTAL NUMBER OF GRANTS PAID:  
984



TOTAL VALUE OF GRANTS PAID:  
£5,289,222



TOTAL VALUE OF LOANS PAID:  
£75,000




TOTAL NUMBER OF NEW FUNDS:  
7


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**Foundation Scotland**

Scotland's Community Foundation