

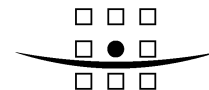
Funding Review for SSMEI Pilot Schemes

Funding Review

Scottish Executive

June 2005
Draft Report
9P1698

A COMPANY OF



ROYAL HASKONING

POSFORD HASKONING LTD
ENVIRONMENT

10 Bernard Street
Leith
Edinburgh EH6 6PP
United Kingdom
+44 (0)131 555 0506 Telephone
0131 555 0506 Fax
info@edinburgh.royalhaskoning.com E-mail
www.royalhaskoning.com Internet

Document title Funding Review for SSMEI Pilot Schemes
Funding Review
Document short title
Status Draft Report
Date June 2005
Project name SSMEI
Project number 9P1698
Author(s) May de la Cruz
Client Scottish Executive
Reference 9P1698/R/MDLC/Edin

SUMMARY

The purpose of this report is to investigate available funding sources from a range of funding sectors and highlight the eligibility requirements of those identified for the SSMEI project. The applicability of each pilot scheme has been assessed and suggestions are made on how the potential funding providers should be approached during the application of funds. The report has identified suitable sources of funding at a national and European level from each sector based on the principles set out by the SSMEI.

The success of the SSMEI pilot schemes is contingent upon securing adequate and stable financial backing. This report summaries a screening exercise in the identification of suitable potential sources of funding for the SSMEI project generically and pilot schemes specifically. It is hoped that funding mechanisms identified in this report will aid the SSMEI project in further progressing implementation to Phase III.

Once funding is secured, the SSMEI will help deliver locally-specific objectives, set for the following pilot schemes: Shetland Islands, Firth of Clyde, Sound of Mull and St Abbs.

CONTENTS

	Page
1 INTRODUCTION	1
1.1 Overall Aims and Objectives	1
1.2 Funding in Scotland	1
1.3 Eligibility Requirements	2
1.4 Funding Approach	3
1.5 Funding Sources	3
2 PUBLIC SECTOR	3
2.1 Scottish Executive – The Sustainable Action Grants	3
2.2 Scottish Executive – The Scottish Rural Partnership Fund (SRPF)	4
2.3 Enterprise Networks in Scotland	4
2.3.1 The Scottish Enterprise	4
2.3.2 The Highlands and Islands Enterprise	5
2.4 Crown Estate – The Marine Stewardship Fund	5
3 VOLUNTARY SECTOR	6
3.1 Esmee Fairbairn Foundation	6
3.2 Dulverton Trust	7
3.3 Community Fund for Medium Projects (National Lottery)	7
3.4 The Lyndhurst Settlement	7
3.5 Rufford Maurice Laing Foundation	7
3.6 The MacRoberts Trust	7
4 THE NATIONAL LOTTERY FUND	7
4.1 Awards For All Scotland	8
4.2 Forward Scotland – Transforming Your Space	8
5 EUROPEAN AND INTERNATIONAL FUNDING SOURCES FOR SCOTLAND	8
5.1 Structural Funds	9
5.1.1 Objective Programmes	9
5.1.2 Community Initiatives	10
5.1.2.1 Role of LEC's in Community Initiatives	11
5.2 Darwin Initiative	12
6 APPLICABILITY TO INDIVIDUAL PILOT SCHEMES	12
6.1 Shetland – Local Authority Spatial Marine Planning	12
6.2 Firth of Clyde – Stakeholder / Regulatory Partnership	14
6.3 Sound of Mull - Stakeholder / Regulatory Partnership	15
6.4 St Abbs – Enhance Local User Group	17
7 REFERENCES	1
8 APPENDICES	1

1 INTRODUCTION

Posford Haskoning has been commissioned by the Scottish Executive to undertake the second phase of the Sustainable Scotland Marine Environment Initiative (SSMEI). The initiative aims to develop and test the effectiveness of alternative management approaches to deliver sustainable development in Scotland's coastal and marine environment.

Financial assistance is a key factor that will help provide the driving force for the implementation of the SSMEI pilots. This support will significantly help achieve the overall aims and objectives for the SSMEI and deliver locally-specific objectives for each pilot scheme. This report aims to identify opportunities for establishing funding streams to support the implementation of the SSMEI pilot schemes.

Securing funding will increase ownership and commitment from the local community and stakeholders involved within each pilot. Additionally it is hoped that defining funding routes for the initial stages of the pilot schemes may assist the shaping of the pilot schemes towards eventually being financially self-sustaining. Burbidge (2001) found that the lack of financial support for voluntary partnerships can lead to doubts from stakeholders in their ultimate success.

This report aims to draw together funding options that may be applicable to the pilots and is intended to act as a starting point for funding discussions. It also aims provide insight on what funding is available and the steps to be taken to avoid common problems when applying for those funds.

1.1 Overall Aims and Objectives

It is hoped that identifying a wide range of generic funding mechanisms from a number of sources will enable the management framework to be both grounded in financial reality and fully informed of the possible funding sources available for each scheme.

In order to meet part of the aims and objectives to the SSMEI Phase II project, this funding report has the following aims:

- To investigate available funding sources at a local, national and European level;
- To identify the eligibility requirements for each funding source and;
- To assess the applicability of potential funding sources for the SSMEI pilot schemes.

1.2 Funding in Scotland

Ensuring the sustainability of Scotland's coastal and marine environment is highly significant as it should provide economic, environmental and cultural contributions at both a local and national level. The SSMEI project team have identified a suite of pilot schemes to test approaches to delivering a more sustainable approach to the future management of Scotland's marine environment and act as a source of advice regarding lessons learnt from those pilots and implementation of recommendations.

In Scotland, the development of a coherent and sustainable coastal management framework is partly hindered by the relatively poor and patchy funding available (Firn and McGlashan, 2001).

Within the Scottish private sector, there are several companies that have either direct or indirect interest in Scotland's coast. An example is the Shell Better Britain Campaign which has a programme in place highlighting the value of local community initiatives in improving their own areas. This programme has provided support to a number of community-led projects in Scotland.

Various organisations like the Shell Better Britain Campaign and locally significant businesses interests could act as potential funding providers for one or more of the selected pilot schemes. However, obtaining sufficient funds from the private sector may prove to be challenging.

Once pilots are established a next step to approach established businesses as part of the companies local and Scottish Corporate Social Responsibility agenda maybe initiated. Opportunities for CSR private sector funding are difficult to predict and would be developed once pilot schemes are established.

1.3 Eligibility Requirements

There is a relatively large pool of funding sources available at both a UK and European level. These are applicable to a range of different needs, with varying eligibility focuses. When seeking funding options for the pilot schemes it will be essential to ensure that the SSMEI proposal / application falls within the appropriate grant / funding guidelines.

During the data review and collation exercise for this report, a number of funding sources were identified and considered to be initially unsuitable for the SSMEI pilot schemes. In the voluntary sector almost all the trusts identified would only provide financial support if the organisation had charitable status and/or philanthropic or benevolent beliefs and principles (see Section 3). However, a mechanism to source such funding may exist through partners involved in the pilot schemes and who already have charitable status (e.g. National Trust for Scotland). Such partners could potentially allow pilots to access grants to charities for the SSMEI pilots. Alternatively, it may also be possible to establish charitable status for the SSMEI, something which has proved to be a successful option the Firth of Forth Forum.

Appendix A highlights other funding providers for which the SSMEI pilots are unlikely to qualify, for a variety of reasons. Such providers include the Nationwide Foundation and the Robertson Trust, who do not support projects that are involved with central or local government, or the Rufford Maurice Laing Foundation which excludes any project proposals that aims to benefit local communities.

A criterion identified which may pose a problem securing funding for the SSMEI pilot schemes (particularly when seeking European funding) is that of additionality. A number of UK and European funding sources require that funds provided be solely used to finance activities or resources and prohibit the project / organisation from receiving funds from elsewhere. In the case of the SSMEI, the project team would need to show that the pilot schemes would not be funded by the budget already allocated for the development of each pilot framework. The fund would be additional to that which already

exists to provide core funding to support the means of each pilot. In addition, the pilot schemes need to prove that its development would not have proceeded without the support from this funding provider.

1.4 Funding Approach

The approach taken to funding the SSMEI pilots will dictate the sources of funding that will be most appropriate. It is proposed that where possible, a single source of core funding is identified and pursued for each pilot scheme. Smaller grants and funding sources could then be sought to support specific tasks or projects within the pilot schemes. The advantage of this approach would be continuity and stability of funding, recognised as a key factor in the development and maturity of voluntary partnerships (Burbidge, 2001). However, the risk of this approach is that securing of sufficient funds from one major funding source may become increasingly difficult with increasing size and complexity of project schemes.

In compiling this report, a comprehensive data review and collation exercise was carried out to investigate and identify a range of potential funding sources. This review focussed in particular on those sources, at a local, national and European level, that will support local community projects.

1.5 Funding Sources

The following sections detail a range of generic funding providers across sectors, all of whom are potentially suitable for the SSMEI. It is important to note that research has not been restricted to the selected pilot schemes alone. Further, the report does not contain an exhaustive list of *all* available funding sources currently in place, it instead provides a coherent list of available funding sources that are well-recognised in Scotland and have merit in helping to deliver SSMEI's overall aims and objectives.

2 PUBLIC SECTOR

In Scotland, the economic, environmental and community-based grant funding for Integrated Coastal Zone Management (ICZM) is drawn from a range of providers including Scottish Executive departments, executive agencies, local authorities and other organisations. There is also a large group of UK government organisations, departments and public sector bodies that have a direct interest in Scotland's coastal and island areas, such as the Ministry of Defence and the Crown Estate.

2.1 Scottish Executive – The Sustainable Action Grants

The Scottish Executive provides grant aid in the form of Sustainable Action Grants, which are distributed to national or regional projects. Any project proposals submitted need to show that the project promotes sustainable development, through sustainable resource use, energy and travel. The eligibility requirements for the Sustainable Action Grants state that applications must be designed to deliver good practice, with clear objectives and measurable outputs.

The grants are distributed to projects based in Scotland that cover regions that no smaller than a local authority. The Scottish Executive will only consider project proposals that will build on existing work; however, if proposals appear to duplicate other

existing work applications will not be considered. Grants are open to any type of organisation including local authorities and funding aid up to 100% can be requested, although, the maximum grant size limit is £50,000 per year. The amount awarded is discretionary, with quarterly payments made in arrears, within two weeks of claims received.

There is approximately £300,000 available for the Sustainable Action Grants in 2004-05. However, the deadline for applications has now passed and details of the next tranche have yet to be released.

2.2 Scottish Executive – The Scottish Rural Partnership Fund (SRPF)

The SRPF has £3.7 million to distribute to rural community projects over the next three years. There are three grant schemes that make up the SRPF (2004/5):

- Rural Challenge Fund (RCF);
- Rural Strategic Support Fund (RSSF); and
- Local Capital Grants Scheme (LCGS).

Of the three grant schemes, it is the RCF that may be most applicable for the SSMEI. The RCF has £1.6 million to be distributed to 56 projects around Scotland, with applications for grants required to show innovative ways of addressing rural problems, or of creating a wider range of opportunities in rural areas. SSMEI pilots could request up to 50% of eligible costs for a period of 1 to 3 years, however, this is subject to a maximum overall grant limit of £50,000.

The criteria set for SRPF grants state that there must be local community support for successful projects. Thus if an application from SSMEI is to be considered, evidence must show that local stakeholders have been consulted. It is also important to note that none of the three SRPF funding schemes will support businesses and profit-making bodies; activities associated with agriculture and fisheries; and/or existing projects and projects where the match funding come from another Scottish Executive Department, Whitehall Department or an agency of the Scottish Executive, the concept of additionality discussed previously.

An application form has to be submitted and the amount awarded varies from project to project. The payments are discretionary and are made in instalments. There is potential for match funding with other public bodies, however, grants from Scottish Executive departments cannot be used. The deadline for applications for each grant scheme, especially the RCF, 2004-05 has now passed (3rd October 2003) and details of the next tranche have yet to be released.

2.3 Enterprise Networks in Scotland

2.3.1 The Scottish Enterprise

The Scottish Executive funds Scottish Enterprise which has responsibility for the southern half of Scotland, ensuring that people and their businesses around Scotland receive maximum economic benefits wherever possible. The Scottish Enterprise Network has 12 local enterprise companies (LECs) and each of the LECs have a number of local initiatives in place. There may be scope for the SSMEI to work in partnership with existing initiatives or instigate a new initiative, however further investigations will be required.

The Scottish Enterprise has established the Euro Info Centre Initiative which leads a GrantFinder service in Scotland. The GrantFinder service is a database of funding programmes both within the UK and Europe-wide and may be a useful tool in the search for funding.

2.3.2 The Highlands and Islands Enterprise

The Scottish Executive funds the Highlands and Islands Enterprise Network which performs a similar role to that of Scottish Enterprise, for the Highlands and Islands. The network is the main body involved in pooling together 10 LECs to achieve the aims of providing business support services; delivery of training and learning programmes; assisting community and cultural projects; and instigating measures for environmental renewal.

The network can provide assistance in accessing funding opportunities and will therefore be an important contact for all SSMEI pilot projects in the relevant areas. The LECs that currently participate in joint funding are as follows:

- Inverness and Nairn Enterprise (INE) – INE’s plans for 2003/2004 have been set with £6.15 million to be distributed. In relation to their policy of strengthening communities, INE has allocated a budget of around £300,000 for the year. The fund will be used to support community initiatives in partnership with other bodies and lever out additional external funding from sources such as the Scottish Executive and European Community.
- Lochaber Enterprise – Lochaber Enterprise is the main point of contact when seeking financial assistance for economic and community development within Lochaber. Policy guidelines are in place to ensure funds are allocated and managed appropriately.
- Skye and Lochalsh Enterprise (SALE) – SALE is involved in three community-based funding sources which may be applicable for the SSMEI:
 - Community Action Grants
Funding is available to community groups within Skye and Lochalsh for a variety of projects that fit the following objectives: (1) investment in community assets and services, and (2) development of community strengths, leadership and confidence;
 - Small Community Projects Scheme
SALE provides a simple and fast-track funding support for small community projects. The scheme’s costs are eligible for capital costs, non-recurring revenue costs associated with start-up, costs of undertaking research or feasibility studies, community tours and exchange or education visits are eligible for assistance.

2.4 Crown Estate – The Marine Stewardship Fund

The Crown Estate provides grant-aid to practical projects and programmes that contribute to promoting best practice and that make a significant contribution to the environmental management and stewardship of the marine estate.

The Marine Stewardship Fund has distributed almost £300,000 to a wide range of practical projects around the coast. It is expected that within the next two years the Crown Estate will have contributed over £1 million to the aquaculture industry from its programme of research and marine stewardship.

The Crown Estate supports UK applications which bring together a range of partners to ensure that the local community will benefit, although applications are also assessed as to how they will benefit the work of the Crown Estate. No application forms are required when requesting financial aid, however, the Crown Estate does require submission of clear and concise project proposals. There are no deadlines and applications can be made at any time of the year.

Applicants can be organisations, private individuals, local authorities or community groups. The SSMEI project team could request up to 100% funding for a proposal and the amount available ranges from £3,000 to £10,000. Payment for the successful applicants are in one-off form and projects have received 1 to 3 years' worth of funding in the past.

3 VOLUNTARY SECTOR

Many Scottish voluntary organisations are involved in the management of Scotland's coastal and island areas. Those actively involved include the National Trust for Scotland, RSPB, the John Muir Trust, the Woodland Trust and the umbrella group, Scottish Wildlife Link.

Scotland also has a number of more general private trusts, which make capital contributions to national, regional and local initiatives that meet their criteria. However, as stated in Section 1.3 most of these trusts will only support registered charities and this may be a challenge for the SSMEI.

A major difficulty when with applying for funding from the voluntary sector is the often relatively narrow focus of the funding criteria to be met and the often limited funds available. The SSMEI may not, therefore, be an obvious fit to most voluntary sector funding sources.

The following examples detail potential funding providers from the voluntary sector who, despite only supporting registered charities, may offer potential for financial aid for the SSMEI if that obstacle can be overcome.

3.1 Esmee Fairbairn Foundation

The Esmee Fairbairn Foundation focuses on social development, environment, heritage, education and arts. These fields aim to fund projects that look at improving the quality of life for disadvantaged people and communities.

There is no maximum grant size for the funds however; the average grant awarded in 2002 was £33,528. There are no deadlines in place and applications can be submitted at any time.

The SSMEI's absence of charitable status would need to be addressed as this will weaken any applications to the Esmee Fairbairn Foundation.

3.2 Dulverton Trust

The Dulverton Trust has supported UK pilot projects from private initiatives in conservation, however, the organisation receiving the grant has to be a recognised charity. The Trust will support grants up to £2,000. Applications can be submitted throughout the year.

3.3 Community Fund for Medium Projects (National Lottery)

The Community Fund supports projects that cost no more than £60,000. The Fund considers projects that help disadvantaged people and improve the quality of life in the community. The fund was initially set up for charitable, benevolent or philanthropic purposes, however, allowance is made for organisations that may not hold charitable status.

Applications can be submitted at any time and the amount provided is discretionary. The Fund will support either partial or total funding of between £500 and £60,000 for 1 - 3 year projects. The grant can be used as match funding for EU grants including Structural Funds.

3.4 The Lyndhurst Settlement

The Lyndhurst Settlement will support projects that show interest in social research, the environment and conservation issues. This type of grant would potentially be suitable as additional funding, but due to the small size of grant available, from £500 to £9,000, could not provide core funding. As for other charitable funding bodies, lack of charitable status for SSMEI would have to be overcome.

3.5 Rufford Maurice Laing Foundation

The Rufford Maurice Laing Foundation provides support to UK and overseas-based projects concerned with nature conservation, the environment and sustainable development. Applications can be submitted at any time throughout the year.

Three funding strands are available which provide varying financial support, including small grants up to £5,000 and major grants with no maximum upper limit.

3.6 The MacRoberts Trust

The MacRoberts Trust provides support to projects UK-wide, with preference to Scotland. There are a number of categories that the Trustees consider with the most applicable to the SSMEI being Science, Technology and Education. The amount available is not seen to be sufficient enough to offer central core support for the SSMEI pilot schemes as grants range from £5,000 and £10,000.

4 THE NATIONAL LOTTERY FUND

The National Lottery Distribution Fund (NLDF) distributes money received from the National Lottery, to projects that support good causes in the areas of culture, sport and media. The NLDF carry out this role on behalf of the UK Lottery Commission and it is

clear that priorities currently lie with projects that carry major physical capital works. It is believed that priority may be given for projects focusing on the protection of the natural environment giving the SSMEI an opportunity to tap into these funds.

The following section detail funding providers that are supported by the National Lottery Fund and provide a range of programmes and initiatives for 2002 – 2007:

4.1 Awards for All Scotland

The Awards for All Scotland fund small projects in Scotland that involve people in their community through arts, heritage, social and other community activities. Only voluntary organisations can apply and these must be small groups with an annual income of less than £20,000.

An application form is available to be completed in order to be considered for grant funding. Most Awards for All grants provide financial support that ranges from £500 to £2,500, although applicants can receive a maximum of £5,000 but cannot receive more than this in any 12-month period. Funding cannot be applied retrospectively to costs already incurred within a 12-month period and projects must involve the local community, based in Scotland.

4.2 Forward Scotland – Transforming Your Space

Forward Scotland may be suitable for the SSMEI pilot schemes, as grants are available for Scottish organisations that are involved in sustainable development. Forward Scotland has £10 million to be distributed by 2005. Forward Scotland is involved in a number of schemes of which, Fresh Futures - Transforming Your Space may be most applicable to the SSMEI pilots. The programme aims to support projects that demonstrate sustainable development, with a focus on improved and welcoming green spaces, and communities which adopt more sustainable practices. There is preference made to applications where communities take a lead role in the development of a project and that encourage innovative partnerships that put communities at the centre of decisions.

Forward Scotland will distribute £4.3 million of the New Opportunities Fund by March 2005. It offers grants from £20,000 to £300,000 for projects, which improve local environments. There are four application rounds during each year, with applications decided by a grant panel.

5 EUROPEAN AND INTERNATIONAL FUNDING SOURCES FOR SCOTLAND

A main source of European funding for Scotland, are Structural Funds. The Scottish Executive has been assigned the responsibility of overseeing the management of these funds (Hall Aitken Associates, 2001).

Tapping into larger-scale funding sources like European funding is a possibility for the SSMEI pilot scheme and would have an added benefit of increasing pilot scheme profiles and thus potentially increasing 'buy-in'.

5.1 Structural Funds

Structural Funds are the main source of EU funding for Scotland (excluding support for agriculture). Around 90% of the EU finance for projects is allocated to these funds.

There are four main Structural Funds applicable to Scotland (Table 1) Objective Programmes; Community Initiatives; Innovative Actions; Rural Development; and Innovative Actions. The latter two have not been included in this report as they are not believed to cover the needs of the SSMEI project.

Table 1 The four main Structural Funds available in Scotland

Structural Fund	Brief Description
1. European Regional Development Fund (ERDF)	Focuses on less-favoured regions and looks at productive investment, infrastructure and Small/Medium-sized enterprises (SMEs) development.
2. European Social Fund (ESF)	Supports human resource development measures including sustainable development.
3. European Agricultural Guidance and Guarantee Fund (EAGGF)	Finances the Common Agricultural Policy and rural development.
4. Fisheries Instrument for Fisheries Guidance (FIFG)	Supports projects related to fisheries re-structuring and marketing.

Source: Hall Aitken Associates, 2001

5.1.1 Objective Programmes

Three Objectives were set by the EU of which Objective 1 is most applicable for the SSMEI. Objective 1 funding supports regions whose development is lagging behind the rest of the EU. In Scotland, there are currently no Objective 1 areas, however up until 2000 the Highlands and Islands did qualify for Objective 1 funding and is now classified as qualifying for a special transitional programme of support.

The Highlands and Islands Partnership Programme administers the Highlands and Islands Special Transitional Programme (HISTP) which has received significant European support and contributions. The HISTP is a EU-funded objective programme which provides financial assistance of approximately £210 million to the Highlands and Islands area from 2000 until the end of 2006.

The programme has identified four 'priorities' for action, each including a number of 'measures' for their implementation. These priorities involve each of the four Structural Funds. The SSMEI falls into Priority 4, which focus on assisting rural communities. A number of the measures in place are addressed by a Structural Fund that matches the measures' aim (Highland and Islands Partnership Programme, 2004).

5.1.2 Community Initiatives

Community Initiatives are recognised funding providers and are European-wide programmes, which are financed by the Structural Funds. Community Initiatives receive about 5% of the total Structural Funds budget.

Community initiatives are tailored differently from one member state to the next. Overall, the initiatives aim to provide flexibility and offer possibilities for co-operation and innovation. They include measures which extend beyond national boundaries and provide a framework for encouraging transnational co-operation and the sharing of 'know-how' in areas of shared concern.

However, as already mentioned in Section 1.3, additionality may be a concern. It is important that when making any application for European funding the SSMEI can demonstrate that without the financial support (either through the community initiatives or/and structural funds) the SSMEI would be unable to proceed.

The Community Initiatives identified below are believed to be the most applicable to the SSMEI schemes:

- INTERREG III - is made up of three funding strands with a total budget of €4,875 billion. It is Strand B that is the most applicable to the SSMEI project as it promotes transnational co-operation involving national, regional and local authorities. The aims are to promote better integration within the Union through the formation of large groups of European regions. INTERREG IIIB programmes are applicable to selected areas and those applicable to Scotland detailed in Table 2.

Table 2 INTERREG IIIB programmes applicable to Scotland

INTERREG IIIB Regions	Brief Description
Northern Periphery	Targets include 20% of projects for young people, 20% of projects involved in small/medium-sized enterprises (SME) and half of all projects involving partners that are members within the region. <u>Countries</u> – Scotland, Finland, Sweden, Norway, the Faeroes and Greenland.
North West Europe	Six action priorities have been identified including sustainable development, prudent management and protection of other natural resources and of cultural heritage. <u>Countries</u> – UK, Belgium, France, Germany, Ireland, Luxembourg, the Netherlands and Switzerland.
North Sea Region	Action priorities in place reinforce spatial planning, economic, social and cultural integration in the region. <u>Countries</u> – Belgium, Denmark, Germany, the Netherlands, Sweden, Norway and the UK
Atlantic Area	Aims to foster sustainable development and integrated regional development and to harmonise social, economic and environmental objectives while protecting cultural and historic identities. <u>Countries</u> – UK, Spain, France, Ireland and Portugal

Source: www.interregnorthsea.org

- LEADER + Programme - The programme is the third successive European Community Initiative that provides support for rural development. The initiative operates from 2000 to 2006 and depends on the European Agricultural Guidance and Guarantee Fund Structural Fund (EAGGF).

The LEADER + Programme is different to that of LEADER II in that the initiative is aimed at supporting high quality, integrated strategies for local rural development with a strong emphasis on co-operation and networking between rural areas (Scottish Executive, year unknown). It is expected that over £17m of European funding will be generated over the next six years.

This initiative complements the aims of the SSMEI and it appears to be the most suitable funding source to consult further regarding an application.

5.1.2.1 Role of LEC's in Community Initiatives

In addition to Section 2.3, the following are examples of LECs in the Highlands and Islands Network area who have been allocated European funding:

- Caithness and Sutherland Enterprise - The Community Economic Development (CED) Programme is a European Community Initiative and part of the Highlands and Islands Special Programme. It can provide funding to support small-scale community development at a local level. The programme is only applicable to voluntary organisations based in the Caithness and Sutherland area and to community-led partnerships.
- Orkney Enterprise - Orkney Enterprise can access European programmes of funding which supplement their annual funding allocation. An example of this is LEADER II programme, which has assisted community projects in remote areas and the PESCA programme which supported fisheries dependent communities.

Additional funding programmes in place are CED and the LEADER + Programme.

- Shetland Enterprise - The Shetland Enterprise and its associated collaboration with European funding is the best example of a LEC to help the Shetland SSMEI pilot scheme reach its aims and objectives.
- The LEADER + and II programme has been set up for Shetland Enterprise providing European funding for rural development within the Shetland area. The CED has also been set-up to support local community development.
- Western Isles Enterprise (WIE) - The WIE is involved with a number of European funding initiatives. The funding initiatives that may be appropriate to the SSMEI scheme is the CED partnership programme that many of the local enterprises are involved in; the European-funded programme, LEADER + is also set up for WIE and aims to put in place projects of a pilot nature and; funds are available for research and development projects (research element or pilot phase) in tourism, industry, agriculture, fisheries, IT and the social or community sector that brings innovative ideas and exploiting local opportunities.

5.2 Darwin Initiative

The Darwin Initiative works with local partners in countries that are rich in biodiversity but poor in resources. The initiative is sponsored by the UK government, Department for the Environment, Food and Rural Affairs (DEFRA) and administered by the Darwin Applications Management Unit.

The Initiative aims are to achieve:

- the conservation of biological diversity;
- the sustainable use of its components and;
- the fair and equitable sharing of the benefits arising out of genetic resources.

There are five priority areas for Darwin funding (1) institutional capacity building (2) training (3) research (4) work to implement the convention on biological diversity and (5) environmental education or awareness.

The initiative normally expects to fund projects for no longer than 3 years and the grants awarded are intended to provide support towards revenue costs. Consideration will be made for capital costs, which will typically be not more than 10% and only where necessary to enable the main work programme to be carried out.

Applicants need to be a UK-based organisation in the public or private sector and applications will only be accepted through the Initiative's application form which must include a project summary that follows a logical framework. It is unclear what the deadlines are for submission, however, the amount the initiative can provide is flexible with past projects awarded funds in the range of £35,000 to £40,000.

6 APPLICABILITY TO INDIVIDUAL PILOT SCHEMES

Four proposed SSMEI Pilot schemes have been identified:

- Shetland – Local Authority Marine Spatial Planning;
- Firth of Clyde – Stakeholder/regulator partnership;
- Sound of Mull – Stakeholder/regulator partnership and;
- St Abbs – Enhanced local user group.

This report has, so far, investigated a range of available funding sources on a national and European level. This section aims to identify the funding sources that may be best suited for each pilot scheme.

6.1 Shetland – Local Authority Spatial Marine Planning

The Shetland SSMEI pilot scheme focuses on approaching spatial marine planning at a local level with the aim of developing a stronger community involvement and delivering a de-centralised policy.

It is envisaged that the key partner leading the pilot scheme will be that of local government as such the funding provider most applicable for this pilot scheme would be from European sources (Table 3).

Table 3 Potential funding sources for the Shetland SSMEI pilot scheme

Funding Providers	Applicability to Shetland pilot scheme
The Sustainable Action Grants	<ul style="list-style-type: none"> • National project ✓ • Sustainable development of resource use ✓ • Scotland based ✓ • Maximum grant £50,000 ✓
SRPF – RCF	<ul style="list-style-type: none"> • Maximum limit £50,000 ✓ • Local community support ✓ • Activities linked to fisheries ✗ • Deadline for 2004/05 passed ✗
Crown Estate – Marine Stewardship Fund	<ul style="list-style-type: none"> • UK based project ✓ • No deadlines set ✓ • Grant limit £3,000 to £10,000 ✓ <p>Seafood Shetland has been awarded £23,037 from the CE. It is expected that £1million will be distributed to the aquaculture industry for the next two years opening possibilities for this pilot scheme.</p>
INTERREG IIIB	<ul style="list-style-type: none"> • Transnational co-operation involving national, regional and local authorities. ✓
LEADER + Programme	<ul style="list-style-type: none"> • Currently involved with Shetland Enterprise regarding rural development within the area. • Focus on local rural development ✓
Darwin Initiative	<ul style="list-style-type: none"> • UK based ✓ • Grant limit range from £35,000 to £40,000 ✓
Financial Instrument for Fisheries Guidance (FIFG)	<ul style="list-style-type: none"> • assist projects that aim to achieve a sustainable balance between marine resources and their exploitation ✓
Esmee Fairbairn Foundation	<ul style="list-style-type: none"> • Environmental project ✓ • Applications at any time ✓ • No maximum grant limit ✓ • Recognised charity ✗
Dulverton Trust	<ul style="list-style-type: none"> • UK pilot projects ✓ • Applications submitted at any time ✓ • Grants up to £2,000 ✗ • Recognised charity ✗
Community Fund for Medium Projects (National Lottery)	<ul style="list-style-type: none"> • Supports projects that cost no more than £60,000 ✓ • Applications submitted at any time ✓ • Match funding for EU grants ✓ • Recognised charity ✗
The Lyndhurst Settlement	<ul style="list-style-type: none"> • Projects showing environment and conservation issues ✓ • Grants range from £500 to £9,000 ✓ • Recognised charity ✗
Rufford Maurice Laing Foundation	<ul style="list-style-type: none"> • UK based projects ✓ • Nature conservation, environment and sustainable development ✓ • Recognised charity ✗ • Grant size limit £5,000 ✗
The MacRoberts Trust	<ul style="list-style-type: none"> • UK based, preference to Scotland ✓ • Grant limit £5,000-£10,000 ✓ • Recognised charity ✗

Table 3 details the Financial Instrument for Fisheries Guidance (FIFG). This funding provider may be able to assist in the delivery of the locally-specific aims of the fishing and aquaculture industries, one of the dominant industries in Shetland.

Additionally, the funding providers detailed in Table 3 are those that are most applicable to the Shetland SSMEI pilot scheme. The two most applicable are the Scottish Executive's Sustainable Action Grants and the Rural Challenge Fund. The criteria set by these funds match the aims and objectives of the SSMEI, namely that these funding providers will support projects that promote sustainable development and embrace local involvement. The value of the potential funds available is thought to be sufficient to include the entirety of the Shetland SSMEI pilot scheme.

6.2 Firth of Clyde – Stakeholder / Regulatory Partnership

The interaction between the establishment of the Clyde Firth Partnership and the identification of possible funding opportunities for the Clyde SSMEI pilot scheme is unclear at present. However, it may be possible for further funding opportunities not highlighted in this report to be explored through consultation with the Clyde Firth Forum (CFF).

Table 4 identifies the potential funding providers for this particular funding scheme on top of those that may be in place by the Clyde Partnership.

Table 4 Potential funding sources for the Firth of Clyde SSMEI pilot scheme

Funding Providers	Applicability to the Firth of Clyde
The Sustainable Action Grants	<ul style="list-style-type: none"> • National project ✓ • Sustainable development of resource use ✓ • Scotland based ✓ • Maximum grant £50,000 ✓
SRPF – RCF	<ul style="list-style-type: none"> • Maximum limit £50,000 ✓ • Local community support ✓ • Activities linked to fisheries ✗ • Deadline for 2004/05 passed ✗
Crown Estate – Marine Stewardship Fund	<ul style="list-style-type: none"> • UK based project ✓ • No deadlines set ✓ • Grant limit £3,000 to £10,000 ✓
Fisheries Instrument for Fisheries Guidance (FIFG)	<ul style="list-style-type: none"> • assist projects that aim to achieve a sustainable balance between marine resources and their exploitation ✓
INTERREG IIIB	<ul style="list-style-type: none"> • Transnational co-operation involving national, regional and local authorities. ✓
LEADER + Programme.	<ul style="list-style-type: none"> • Focus on local rural development ✓
Darwin Initiative	<ul style="list-style-type: none"> • UK based organisation ✓ • Funds £35,000 to £40,000 ✓
Esmee Fairbairn Foundation	<ul style="list-style-type: none"> • Environmental project ✓ • Applications at any time ✓ • No maximum grant limit ✓ • Recognised charity ✗
Dulverton Trust	<ul style="list-style-type: none"> • UK pilot projects ✓ • Applications submitted at any time ✓

	<ul style="list-style-type: none"> • Grants up to £2,000* • Recognised charity*
Community Fund for Medium Projects (National Lottery)	<ul style="list-style-type: none"> • Supports projects that cost no more than £60,000✓ • Applications submitted at any time✓ • Match funding for EU grants✓ • Recognised charity *
The Lyndhurst Settlement	<ul style="list-style-type: none"> • Projects showing environment and conservation issues✓ • Grants range from £500 to £9,000✓ • Recognised charity*
Rufford Maurice Laing Foundation	<ul style="list-style-type: none"> • UK based projects✓ • Nature conservation, environment and sustainable development✓ • Recognised charity* • Grant size limit £5,000*
The MacRoberts Trust	<ul style="list-style-type: none"> • UK based, preference to Scotland✓ • Grant limit £5,000-£10,000✓ • Recognised charity *

The funding providers detailed in Table 4 that are most applicable to the Clyde SSMEI pilot scheme are Scottish Executive's Sustainable Action Grants and Rural Challenge Fund, Esmee Fairbairn Foundation and the Community Fund for Medium Projects (National Lottery programme). For the latter two funding providers, the SSMEI have to meet the conditions set (i.e. charitable status).

The criteria set for these funds match the aims and objectives of the SSMEI, namely that these funding providers will support projects that promote sustainable development and embrace local involvement. The value of the potential funds available is thought to be sufficient to include all aspects of the Clyde SSMEI pilot scheme.

6.3 Sound of Mull - Stakeholder / Regulatory Partnership

The SSMEI scheme has proposed the possibility of developing a stakeholder / regulator partnership approach to the development of a sustainable, planned approach to the management of marine resources and activities within the Sound of Mull.

It has been proposed that Argyll and Bute Council working with Highland Council may be able to take lead in the development of the Sound of Mull SSMEI pilot scheme. It is envisioned that gaining local authority support will raise the SSMEI's profile.

Whilst it is unlikely - at least initially - for local authority funding, other than 'in kind' funding of official's time, will be made available the support of the local authorities is likely to be invaluable in gaining funding from other sources.

The first step for this pilot scheme is to look into funding available to set up a partnership that's to be lead by a designated local authority. However, this may be difficult as currently there is little funding obtained by similar voluntary partnerships from Local Enterprise Companies (LEC).

Just like the pilot scheme itself, the partnership needs to be self-sustaining thus less reliance needs to be made on short-term European funding. However, it appears that European funding is the key sector to approach (outlined in Section 6) and possibly partnership funding with other funding bodies like SNH.

Table 5 lists potential funding sources that may help in setting up a partnership at the Sound of Mull.

Table 5 Potential funding sources for the Sound of Mull SSMEI pilot scheme

Funding Providers	Applicability to the Sound of Mull pilot scheme
The Sustainable Action Grants	<ul style="list-style-type: none"> • National project ✓ • Sustainable development of resource use ✓ • Scotland based ✓ • Maximum grant £50,000 ✓
SRPF – RCF	<ul style="list-style-type: none"> • Maximum limit £50,000 ✓ • Local community support ✓ • Activities linked to fisheries ✗ • Deadline for 2004/05 passed ✗
Transforming Your Space	<ul style="list-style-type: none"> • Sustainable development ✓ • Local communities taking lead role ✓ • Limit £20,000 to £300,000 ✓
INTERREG IIIB	<ul style="list-style-type: none"> • Transnational co-operation involving national, regional and local authorities. ✓
LEADER + Programme.	<ul style="list-style-type: none"> • Focus on local rural development ✓
Darwin Initiative	<ul style="list-style-type: none"> • UK based organisation ✓ • Funds £35,000 to £40,000 ✓
Esmee Fairbairn Foundation	<ul style="list-style-type: none"> • Environmental project ✓ • Applications at any time ✓ • No maximum grant limit ✓ • Recognised charity ✗
Dulverton Trust	<ul style="list-style-type: none"> • UK pilot projects ✓ • Applications submitted at any time ✓ • Grants up to £2,000 ✗ • Recognised charity ✗
Community Fund for Medium Projects (National Lottery)	<ul style="list-style-type: none"> • Supports projects that cost no more than £60,000 ✓ • Applications submitted at any time ✓ • Match funding for EU grants ✓ • Recognised charity ✗
The Lyndhurst Settlement	<ul style="list-style-type: none"> • Projects showing environment and conservation issues ✓ • Grants range from £500 to £9,000 ✓ • Recognised charity ✗
Rufford Maurice Laing Foundation	<ul style="list-style-type: none"> • UK based projects ✓ • Nature conservation, environment and sustainable development ✓ • Recognised charity ✗ • Grant size limit £5,000 ✗
The MacRoberts Trust	<ul style="list-style-type: none"> • UK based, preference to Scotland ✓ • Grant limit £5,000-£10,000 ✓ • Recognised charity ✗

The most applicable funding providers listed in Table 5 for the Sound of Mull SSMEI pilot scheme are Scottish Executive's Sustainable Action Grants and Rural Challenge Fund and; the National Lottery's Transforming Your Space.

The criteria set by these funds match the aims and objectives of the SSMEI, namely that these funding providers will support projects that promote sustainable development and embrace local involvement. The value of the potential funds available is thought to be sufficient to include all aspects of the Sound of Mull SSMEI pilot scheme.

6.4 St Abbs – Enhance Local User Group

In the SSMEI context, St Abbs offers many opportunities to the SSMEI in considering the development and implementation of appropriate local management schemes. References have already been made into looking at the role of the local communities and Council to integrate the needs and opportunities of marine activities with shore-based facilities and development pressures and how to effectively bring together traditional sectors and the needs of newer tourism and recreation-driven industries. For tourism and diving activities the most appropriate sources of funding identified was the PADI Project Aware Foundation however, the maximum grant available is £5,000 which will not help support the SSMEI project in delivering its locally-specific goals for St Abbs.

The pilot scheme actively enforces the inclusion for continued development of local community and stakeholder engagement (Table 6).

Table 6 Potential funding sources for St Abbs SSMEI pilot scheme

Funding Providers	Applicability to St Abbs pilot scheme
The Sustainable Action Grants	<ul style="list-style-type: none"> • National project ✓ • Sustainable development of resource use ✓ • Scotland based ✓ • Maximum grant £50,000 ✓
SRPF – RCF	<ul style="list-style-type: none"> • Maximum limit £50,000 ✓ • Local community support ✓ • Activities linked to fisheries ✗ • Deadline for 2004/05 passed ✗
Crown Estate – Marine Stewardship Fund	<ul style="list-style-type: none"> • UK based project ✓ • No deadlines set ✓ • Grant limit £3,000 to £10,000 ✓
Transforming Your Space	<ul style="list-style-type: none"> • Sustainable development ✓ • Local communities taking lead role ✓ • Limit £20,000 to £300,000 ✓
INTERREG IIIB	<ul style="list-style-type: none"> • Transnational co-operation involving national, regional and local authorities. ✓
LEADER + Programme	<ul style="list-style-type: none"> • Focus on local rural development ✓
Darwin Initiative	<ul style="list-style-type: none"> • UK based organisation ✓ • Funds £35,000 to £40,000 ✓
Esmee Fairbairn Foundation	<ul style="list-style-type: none"> • Environmental project ✓ • Applications at any time ✓

	<ul style="list-style-type: none"> • No maximum grant limit✓ • Recognised charity*
Dulverton Trust	<ul style="list-style-type: none"> • UK pilot projects✓ • Applications submitted at any time✓ • Grants up to £2,000* • Recognised charity*
Community Fund for Medium Projects (National Lottery)	<ul style="list-style-type: none"> • Supports projects that cost no more than £60,000✓ • Applications submitted at any time✓ • Match funding for EU grants✓ • Recognised charity *
The Lyndhurst Settlement	<ul style="list-style-type: none"> • Projects showing environment and conservation issues✓ • Grants range from £500 to £9,000✓ • Recognised charity*
Rufford Maurice Laing Foundation	<ul style="list-style-type: none"> • UK based projects✓ • Nature conservation, environment and sustainable development✓ • Recognised charity* • Grant size limit £5,000*
The MacRoberts Trust	<ul style="list-style-type: none"> • UK based, preference to Scotland✓ • Grant limit £5,000-£10,000✓ • Recognised charity *

The funding providers listed in Table 6 that are most applicable for the St Abbs SSMEI pilot scheme are the Scottish Executive's Rural Challenge Fund, the National Lottery's Transforming Your Space and Community Fund for Medium Projects and the Esmee Fairbairn Foundation.

The criteria set by these funds match the aims and objectives of the SSMEI, namely that these funding providers will support projects that promote sustainable development and embrace local involvement. The institutional approach used for St Abbs follows a Local User Group approach which suits the Transforming Your Space programme as it will only support projects that are lead solely by the local community. The value of the potential funds available is thought to be sufficient to include all aspects of the St Abbs SSMEI pilot scheme.

7 REFERENCES

Burbidge, P. R. (2001) Lessons Learned from Local Coastal Management Partnerships. A Report to Scottish Coastal Forum. Scottish Executive.

Firn, J and McGlashan, D (2001) A Coastal Management Trust for Scotland. A Concept Development and Feasibility Study. Scottish Executive Central Research Unit.

Hall Aitken Associates (2001) European Commission – European Funding and Scotland. A guide to the Funding Process: 5th Edition.

Highlands and Islands Partnership Programme (2004)
www.hipp.org.uk/funds_intro_m.htm

8 APPENDICES

FUNDING PROVIDER	BRIEF DESCRIPTION
Alchemy Foundation	Funds are available only to projects that support social and family welfare projects.
Bernard Sunley Charitable Foundation	Funds are only available for projects that focus on social aspects like youth, housing and health.
BOC Foundation for the Environment	The Foundation excludes projects that focus on marine environmental issues.
Charles Hayward Foundation	Support is only provide to organisations that have charitable status and where projects look at medical research, care of elderly, youth at risk, community facilities, special needs, hospices, art and the environment.
Charles Hayward Foundation	The Foundation excludes large national organisations, community sector development and support organisations.
Clothworkers' Foundation and Trusts	Only applicable to projects are textile-orientated.
Coalfields Regeneration Trust	Grants are available a range of organisations in England, Scotland and Wales who show that their project or activity will benefit a coalfield community.
D'Oyly Carte Charitable Trust	Support projects that are involved in the arts, medical welfare and the environment.
Environment Partnership Action Community	Will only support projects that benefit the people and environment close to British Energy power stations through the following categories: reclamation of derelict land; prevention of pollution; provision of public amenities; or restoration of buildings of historical or architectural interest.
Ernest Cook Trust	Support is only provided to organisations that have charitable status and focus on educational projects in the fields of the countryside and environment, environmental research, the arts, crafts and architecture, youth and some projects outside these categories.

Fishmongers' Company's Charitable Trust	Provides grants for the relief of hardship and disability, education, the environment, heritage and fishery-related charities.
Ford Foundation	No consideration is made for environmental projects, focuses only on political, economic and social systems.
Gannochy Trust (Scotland)	Support projects from a wide range of categories such as youth and recreation. However, grants are only awarded to organisations that have charitable status.
Gulbenkian Foundation	Support is only provided to organisations that have charitable status and who are involved in projects that focus on art, education, social welfare and anglo-portuguese cultural relations.
Henry Smith's Small Grants Programme	Does not consider environmental projects that focus on social and medical developmental projects.
Public Internet Access Scheme	The scheme only supports the improvement of public access to the internet web.
Scottish Community Diet Project	Only supports and develops new and existing community food activity in Scotland.
Scottish Community Foundation	Will not support central/local government
Tesco Charity Trust	Support is only provided if the project proposal aims to either (1) support children's welfare and produce educational projects and/or (2) support elderly people and people with disabilities.
The Ernest Cook Trust	The Trust's schemes may support the same principles than that of SSMEI but the trust's geographic remit only six counties in southern England.
The Nationwide Foundation	Will not support central/local government and projects that focus on the conservation of flora and fauna.
The Polden-Puckham Charitable Trust	This is a grant-awarding trust that supports work in areas such as ecological sustainability.

	<p>However, its applicability to the SSMEI is unsuitable as the funding seeker needs to hold charitable status and the average grant size limit is between £3,000 and £4,000 which will not help support the SSMEI.</p>
The Project Aware Foundation	<p>Is a non-profit, tax free organisation committed to conserving and preserving the aquatic environment. However, funds available will not support the SSMEI project.</p>
UVAF (Unemployed Voluntary Action Fund)	<p>Support is only provided to projects that focus on social and community development or health.</p>
Will Charitable Trust	<p>Support is only providing to organisations that have charitable status and focus on social aspects including social welfare.</p>
Women's Fund for Scotland	<p>Aims to improve funding opportunities for women's organisations.</p>
Woodroffe Benton Foundation	<p>Financial assistance is available only to projects that provide care for the sick and elderly, conserve and improve the environment, promote education and help those in need as a result of disaster or by reason of social and economic circumstances.</p>

=0=0=0=