

# Setting up a Community Sustainability Project



**Redressing the Balance 3**  
Working towards environmental  
justice in Scotland

## Environmental Justice

No less than a decent environment for all;  
no more than a fair share of the Earth's resources



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**Friends of  
the Earth  
Scotland**

# How to use this handbook

This handbook is part of a series entitled *Redressing the Balance: working towards environmental justice in Scotland*. The series is intended for people who are new to the issues. Each handbook is meant to stand on its own, but as a whole provide a range of practical advice. The first three in the series, in particular, will be cross-referenced as appropriate:



*Environmental Campaigning*



*Community Sustainability Audits*



*Setting up a Community Sustainability Project*  
(this publication)

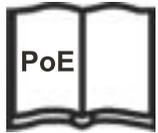
The handbooks are just the starting point. Each references other books, pamphlets and websites in Appendix i. These are accurate at the time of press (2002) but over time will become out of date, particularly those on the internet. References to sources in Appendix i are in the following format:



Inevitably there is a great deal of jargon, acronyms and other language which can get in the way of understanding. Appendix ii of each handbook explains these terms.

In addition, pointers to other key publications of Friends of the Earth Scotland are made in the margins:

## *Protecting our Environment*



This useful guide, published in its 2nd edition in 1997, provides much practical information on knowing your rights, details on common problems such as waste or pollution, and practical campaigning tips, in a easy to read format. Inevitably some parts are out of date, particularly since the guide was written before the new Scottish Parliament came into being.

## *Resources for the Future*

This series of seven booklets was written as part of the Catalyst project which provided support to local people tackling environmental problems. The pack provides background material, resources and checklists for people working towards sustainable development in their communities. Icons pointing to the individual booklets are also used in this series:



*How to use this pack*  
*Explorations in sustainable development*



*Educational activities for adults and young people*



*Investigate your locality for sustainability*



*Influencing economic activity*



*Practical action for sustainable development*



*Taking things further*



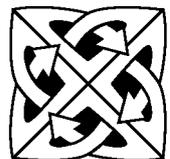
*Criteria for sustainable development*

# **SETTING UP A COMMUNITY SUSTAINABILITY PROJECT**



**Redressing the Balance:  
working towards environmental  
justice in Scotland**

**Handbook 3**



**Friends of  
the Earth  
Scotland**

## **SETTING UP A COMMUNITY SUSTAINABILITY PROJECT**

### **Redressing the Balance: working towards environmental justice in Scotland. Handbook 3**

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# 1. Introduction

This handbook concerns itself with practical issues involved in setting up a project within your community, and in particular a project leading to a more sustainable environment. Many of the details are applicable to any community project (e.g. forming organisations, marketing, fundraising etc.), but examples and evaluations will focus on sustainable development projects.

There is some overlap between mounting a campaign and a project: both stem from perceptions of need in the community and seek to address these problems. Both will inevitably require some funding and will need to ensure they reflect and keep the interests of the community. As a result, there will be frequent references to RtB 1, *Environmental Campaigning*, in the margins.

Community projects can be on a small scale, such as setting up recycling on your street, or large scale, such as creating a community waste minimisation scheme. Some may involve only a few people, whereas others may involve many people in the planning and may result in a small business which employs people.

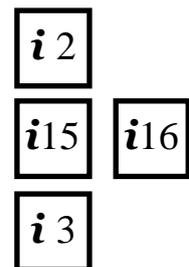
Many people at first feel that the task is too large and complicated for ‘ordinary’ people like themselves, especially if they are relying on volunteers. One of the aims of this handbook is to show that it is possible for ‘ordinary’ people to set up projects in their community, that it is not necessary to have a degree in business studies or project management training. Large or small projects all share the same elements, and can be broken down into smaller and smaller tasks. Most important of all, as long as you have a clear idea what you wish to accomplish, where to find the information needed, where help is available, and how to be organised and share the tasks involved, the project has every chance of success.

Help is also available at almost every stage – and don’t be afraid to ask for it. There may well be someone in your community who has experience of setting up a project and can guide you. Community education workers are vastly overworked, but it is worth asking if your local one could help get the project going. Similarly, your local Council for Voluntary Service (CVS) may be able to spare time for some parts of the project. You may even be able to find a ‘mentor’, someone who will volunteer their expertise. Your Local Enterprise Company (LEC) may be able to assign a business adviser who can provide detailed advice, or even help with some of the tasks. There is also a great deal of training available locally, much of it free.

Of course, in addition to this handbook there are a large number of books and advice sheets, many of which can be downloaded from the web. Two books are listed in Appendix i, but many other useful ones are available. Some LECs or CVS offices will have some for you to browse and may even loan them. The contacts listed in Appendix i provide a useful starting point for further information.

## 1.1 What is a sustainable community project?

This handbook focuses on projects which contribute to sustainable development within the community. Issues of sustainable development are discussed further in RtB Handbook 2, *Community Sustainability Audits*, and should be taken onboard from the beginning of your project.



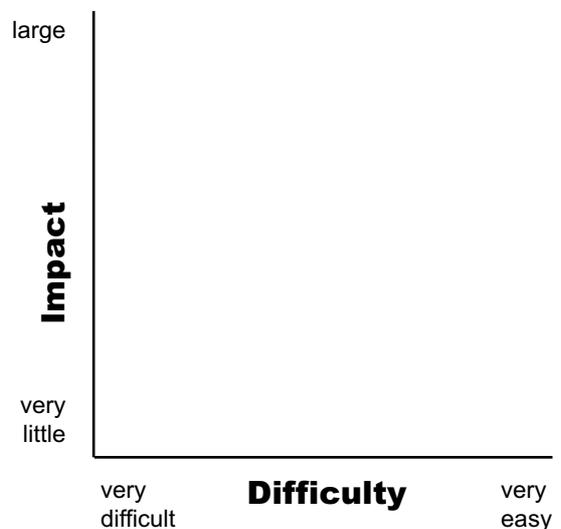
i12



It can be argued that any project in a community should have sustainable development at its heart. Indeed the government now recognises this by its support of Local Agenda 21 (or LA21). The Rio Earth Summit in 1992 called for the promotion of sustainable development in the 21st century. LA21 is the local manifestation of this aim, where local authorities each address sustainable development in their areas. In practical terms this has meant a Sustainable Development Officer (sometimes known as the LA21 officer) in each authority, and support of varying amounts for projects which address sustainable development in local communities. The time is right for communities to think broadly and widely, and make use of the resources available.

The sustainability audit of your community should have raised a number of potential areas in which you may wish to take action. A time of reflection is needed now, to decide which problems to address and what might be the best way to do so.

The sustainability audit provides a snapshot of the community at a certain time, including its perceptions of the past and its aspirations for the future. From the audit a number of potential projects of varying complexity emerge. These should be examined to assess which will best result in a more sustainable community which is tackling environmental injustice. It can be helpful in the first instance to draw a graph which plots what you think the impact of the project might be, against your guess of how easy it will be to get off the ground.



Now work your way through your ideas, starting in the top right hand corner (the easiest projects with the biggest impact). Look at the promising projects according to the following criteria for sustainable development. The project should have the following targets:

- I. **lead to a reduction of resources towards meaningful targets.**  
Activities should at best result in a reduction of natural resources and at least improved efficiency of resource use together with combined awareness of environmental space.
- II. **lead to economic development and tackling poverty within the community.**  
Activities should at best contribute to increased incomes, jobs or other economic improvement. At the least they should lead to new opportunities for people in the community, perhaps initially as volunteers.
- III. **promote participation and overcome discrimination.**  
Activities should at best result in increased participation for all groups within a community. At the least they should incorporate a system of public accountability.
- IV. **improve the quality of life of the local environment.**  
Activities should at best lead both to the end of an environmentally damaging development in the community and to the creation of environmental improvements of long lasting impact for the whole community. At the least activities should have a short term benefit or enhance the local environment in some way.

V. **encourage biodiversity.**

Activities should at best lead to a measurable increase in diversity or number of habitats, species or flora/fauna by contributing to a biodiversity plan. At the least the activities should enhance the biodiversity in the area.

You should aim for a project which fulfils all of these criteria to some extent, and at least two to a high level. One way to assess this, both before a project begins and after it gets off the ground, is to grade the criteria. A method for doing this is outlined in Chapter 8.3 below. If using this, ideally you should be aiming to score at least 12 points overall, and at least 1 point from each criterion. If you are not achieving 12 points, think about how you can modify your project to improve its score for sustainable development. Make sure you think carefully about what measurable targets you will use within the criteria. They should be suggestive of real change, but be realistic to achieve.

Once you have looked at your targets in this way, it can now be useful to take a detailed look at the extent to which the project will contribute to sustainable development. This involves asking a number of searching questions about your project. Just as there is no single definition of sustainable development, there is no single method of assessing a project in terms of how well it leads towards sustainable development in your community. Some local authorities provide checklists, while a number of groups have produced sustainable development indicators.

FoES' publication *Resources for the Future* provides one way to assess how well (or badly) a project or development contributes to sustainable development within the community. This is reproduced here in Appendix iii, for those without access to the publication.

**i12** Contact your LA21 officer to see if local checklists have been formed.

**i8** 'What are Sustainable development indicators'



## 2. Planning your project

Having undertaken a sustainability audit, and then analysed the results to settle on a project, the next step is to consider how to do this. The temptation is to jump into the deep end, and perhaps launch a large project to get fast results. Resist this. More time for reflection, analysis and planning is needed. It is also usually wiser to think small and plan a way to build up as you become more successful. For example, rather than launch a full kerbside recycling collection system for your whole region, think of trialling it in certain areas first, to get practical experience of logistical problems.



When planning, think of the community you are working with, and define its limits for the purposes of the project. Think how you might fit in with other groups and initiatives, and decide what your focus will be. You must also be clear in your own mind that the need exists in your community.

Once you think you know what you wish to do, then it is time to consider the feasibility study. A feasibility study can be highly detailed or a brief summary, but the more information it includes, the more chance of producing a realistic view of your project. It will involve detailed financial calculations, and for this reason is often written along with the business plan (see Chapter 4).

A feasibility study gives you the information you will need in order to proceed. At the worst, it will show you that the project is unnecessary or uneconomical (depending on the criteria used in the study). At best, it can provide advice on ways to move forward, and possibly lead to new funding sources.

Some groups undertake the study themselves, but others hire consultants to prepare them. However, this advice is expensive, and will require money at a time when many groups have no funds. Many groups fundraise at the beginning simply to pay for a feasibility study. If you do hire a consultant, make sure that your group has thought out as many details as possible, and has a clear idea of your aims and objectives. Otherwise the consultant may produce a study which does not reflect the project you had in mind. Communication between group and consultant is vital!



It is certainly possible to produce your own feasibility study, especially for small projects. It will require time and keen research skills, but these can be learnt. However, much of this information was already collected during your sustainability audit. You will need to ask advice widely. You will need statistics to describe your community (e.g. population, unemployment levels) and special details relevant to your project (e.g. percentage of recycling, council spending on public transport, renewable energy production in Scotland etc.). Sources for this information will include your Job Centre, LEC, Scottish Executive, council departments, local library, Friends of the Earth Scotland, etc. If anyone in your group has access to the Internet, set them loose on the web (preferably when telephone rates are low), since more and more of information is also available there. Appendix i has a number of places you can contact for information. Your local librarian should be able to help find more local details. Once the information is gathered, someone will also have to assimilate all the information and produce a written document.

A feasibility study should include many, if not most, of the following elements:

1. a clear statement of the aims and objectives of the project.
2. assessment of strengths and weaknesses.
3. assessment of demand.
4. assessment of community support.
5. assessment of funding sources.
6. full costing of start up expenses, including site development, marketing, recruitment, initial equipment, professional fees etc.
7. full costing of revenue projections for at least three years, for both income and expenses.
8. assessment of management structure for the type of project.
9. assessment of the project in terms of sustainable development criteria.

Many of these sections will be re-used or expanded in your group's business plan (see Chapter 4).

## **2.1 Defining your aims and objectives**

Often the terms aims and objectives are used interchangeably, but in fact they have different meanings. Aims are the overall goals of your project, and objectives are how you will achieve the aims.

It is very important to have a clear idea of exactly what you hope to achieve in your project, together with the path to these aims, broken down into achievable steps, ideally with rough time scales. A written record of your aims and objectives will be useful when publicising your project in the community, when applying for grants, and when formally setting up your organisation.

## **2.2 Assessing strengths and weaknesses**

The early stages of a project are the most time consuming and difficult. As a result, the burden of getting a project established will clearly be dependent on the people assisting at this stage. It is useful to establish at this point what time and skills people can offer. Equally useful is to try and identify weaknesses which will need to be redressed. For example, many of the interested people may not be able to get to meetings, or you may realise that no one has any treasurer skills. Do you have people representing a broad section of the community? Once weaknesses are identified, solutions can then be proposed – for example to arrange car pools or treasurer training or create links with others in the community.

## **2.3 Demonstrating need**

There is little point in setting up a project if the service or product already exists in your community. As part of your business plan (see Chapter 4) and for any grant applications, you should include information showing that the need for your project exists. This can include some or all of the following:

### **2.3.1 Questionnaires**

This is a common method to assess whether a community perceives a need. Bear in mind that you will need some money in order to carry this out, for the photocopying and possibly distribution. Things to consider:

- does your questionnaire reach a representative sample from your community?
- how widely will you distribute your questionnaire?
- how will you distribute them? by hand? by post?

- how will you insure people return them?
- try not to make it too long.
- what sort of questions will you ask? Ones with a set number of answers are easier to analyse and present, but may not provide the answers people want. Often a mixture of both types works best.

Be warned: most people will probably not return your questionnaire (if you get even a 50% return, you are doing well). Moreover, you should not absolutely believe the information in the ones you do get back. People will often say that they support a project because they believe in it, but may not personally intend to use it.

### 2.3.2 Interviews

These may well have formed part of your sustainability audit. They may be combined with questionnaires. Things to consider:

- how are you going to record the answers / discussion? Tape recorders and clipboards can both be distracting to people being interviewed.
- how can you justify that the interviews present a balanced view in your community? For example, interviews at the library during the daytime will only provide viewpoints of people who (a) use the library and (b) can come there in daytime.
- what sort of questions will you ask? (see above)

### 2.3.3 Summary of similar services or products

In many cases this section may merely highlight that there are no existing services in your community. If, however, there are similar projects, clearly indicate what aspects your project fulfils that are not met in the others. If your project involves a product, you will need to assess what markets are available, what prices are current and what competition exists.

### 2.3.4 Public meetings

Public meetings are useful ways to gauge demand for an project, recruit people to work on it, and to demonstrate community support. Things to consider:

- publicise the event with enough time. Use radio, newspapers, posters etc.
- choose a venue which is easy to get to, and accessible by disabled people.
- daytime or evening? There is no easy answer to this one!
- can you provide a crèche for parents who cannot arrange childcare?
- plan the event carefully, to allow people to learn about the project, but also have a say. Have an agenda, either circulated on paper or taped to a wall, so people know exactly what is going to be discussed and the format.
- find a good chairperson if possible. It is a real art to encourage wide discussion, not allow any one person to monopolise the event, to keep people focussed on the topic at hand, and to keep to time. Note that if you already have a committee, the chair does not have to run the public meeting.
- know what you want to achieve at the end of the meeting. Will you be trying to form a committee? What will you tell people will be the next stage?
- have a sign up sheet, with contact details, and make sure all people fill it in. Include a box asking people to tick it if they would be prepared to help out. Ideally make sure one of your group will pass this to all latecomers.
- have someone keep a detailed record (minutes) of what is said at the meeting. This can then be summarised and used in later reports.
- end the meeting with some positive action points to take further, including if possible a follow-up meeting for anyone interested. If appropriate, make sure a steering group is elected.



for further discussion  
of public meetings

## 2.4 Assessing community support

Projects rarely have the support of absolutely everyone in the community, but you need to demonstrate that you are not alone. Since no one speaks ‘for the whole community’, you will have to build your case by other means. This could include:

- your questionnaire assessing demand. It can also include a question designed to show community support.
- holding a public meeting. As mentioned above, this is often a good way to assess how a community feels about the project.
- making contact with other organisations, and asking them if you can briefly describe your project at one of their meetings. In some cases, these organisations may be prepared to write an open letter expressing support for the project.
- writing letters to the local press. Note, however, that these will rarely elicit offers of support. However, it does demonstrate an attempt on your part to reach as many people as possible.
- contacting your community council and local councillor. Their support for your project is always useful. They may also be potential funding sources!

## 2.5 Assessing funding sources

Almost all projects will require some funds in order to begin, and many will require quite substantial sums. Fortunately, there are many possible sources of funding, particularly if you have charitable status. This issue is detailed in further depth in Chapter 5. For the purpose of the feasibility study, you will need to know possible sources, their criteria and the amount they will give, in order to assess whether it will be possible to obtain the capital to start up the project.

## 2.6 Assessing start up expenses

This in turn leads to the need to produce estimates of the costs involved in starting up the project. A computerised spreadsheet is of great value here! Be as detailed as possible, breaking down costs for site development, buildings, equipment (be specific), marketing, staff recruitment, training, consultant fees etc. You may wish to assign different people different items to price. Things to consider:

- don’t forget VAT!
- if you will need premises, consider whether it would be feasible to share a place with another organisation. This can spread the costs of heating, lighting, rates, etc.
- for physical development costs, include contingencies and inflation
- if possible, include consultants where appropriate (e.g. as identified when assessing weaknesses).
- include the costs of the feasibility study if necessary.
- don’t always take the cheapest option. A cheap carpet will wear out sooner and need replacing sooner.
- don’t underestimate the amount of photocopying and postage needed in the early stages of a project.
- bear in mind sustainability issues. It quickly becomes clear when doing this exercise of the value of a sustainable project. A building which is energy efficient will require far less in revenue expenses!

## 2.7 Assessing revenue costs

Revenue costs are those expenses which you will have to pay on a regular basis, such as rent, wages, stationery supplies, etc. These are harder to predict in the planning stages of the project, but it is essential you get as clear an idea as possible. Ask around for advice

on going rates. Too many projects have folded because the revenue costs were not considered – for example, a minibus was purchased, but no money obtained for tax, petrol or insurance. As with start up expenses, you will need to expand this exercise when doing the business plan, so it is wise to do both together. See Chapter 4.7.2 for a list of possible revenue costs.

## 2.8 Assessing the management structure

Unless you are setting up and running your project on your own, you will probably want to set up some organisation and structure. This is discussed in more detail in Chapter 3. For the feasibility study, you should suggest what type of organisation and management structure you think would be appropriate, or how the project can be incorporated into an existing organisational structure. As discussed in Chapter 3, some types of organisation are better depending on the different situations.

Don't underestimate the amount of time and effort to keep an organisation running smoothly. If your project will involve several or more staff, try to find funding for an administrator. Otherwise, members of your committee will have to oversee much of the day to day running of the project. Many funding bodies will recognise the value of an administrator, and allow you to apply for funding towards this post, if it cannot be funded separately, at least for the first year. However, finding revenue funding to cover the cost of an administrator for a number of years is a real challenge. Employing staff also requires extra skill; see Chapter 9 for a more detailed discussion.

<p><b>Case Study 1</b></p> <p><b>The Community</b></p>	<p>Armadale is a small village on the Caithness coast in the north of Scotland.</p>
<p><b>The Problem</b></p>	<p>A recent survey of the people in the village asked them what they saw as the biggest need, and a common response was 'people'. The area also suffers from high fuel costs.</p>
<p><b>The Project</b></p>	<p>A local association has been set up to work in partnership with The Highlands Small Communities Housing Trust and Albyn Housing Association. It will build two homes in the village on common grazing croftland. The project houses will be designed to be energy efficient, yet hopefully cost no more to build than a 'traditional' new build. The project is being watched by a number of other communities, who see this as a possible model for them to replicate. Demand for the homes is high. An old croft has also been purchased in the village, and eventually the group would like to renovate it into a tourist teashop and museum.</p>

## 3. Forming an organisation

Once you have a clear idea of what you want to do and have assessed that it is feasible, you must then think of the way forward. If you have not already done so, you will probably want to form an organisation, because:

- it creates a structure when working with a number of people, where everyone involved knows exactly what is expected of them, and how they can have a say in the project. (There are also times and reasons to form an organisation if there is only one person involved).
- it ensures continuity – and possibly survival – of your group as time goes on, and different people become involved.
- some types of organisations allow you to have free bank accounts and make you eligible for certain kinds of grants.
- it gives you more authority when speaking or acting to further your project.
- it provides the community with a focus.
- it separates private actions and finance from project-based ones.



### 3.1 Types of organisations

There are a number of types of organisations:

- **Unincorporated association** (also sometimes known as a voluntary association)  
People running the organisation donate their time, although they may have paid employees.  
*Rules of organisation:* constitution  
*Pros:* easy to set up  
*Cons:* committee members are legally liable for unpaid expenses  
*Eligible for charitable status:* yes, depending on aims  
*Typical examples:* small groups with limited cash transactions
- **Company limited by guarantee**  
May have volunteers or paid employees or both. This structure is often preferred where an organisation employs staff or enters into a number of contracts.  
*Rules of organisation:* Memorandum & Articles of Association  
*Pros:* Office bearers are only liable for a certain financial amount (often £1) if the company ceases to exist.  
*Cons:* more difficult to set up, and will necessitate legal advice. Legally requires yearly financial submission. Subject to company law, with all that this entails.  
*Eligible for charitable status:* yes, depending on aims  
*Typical examples:* groups which have reasonable cash turnover. Many Councils for Voluntary Action are set up in this way.
- **Industrial and Provident Society (IPS)**  
Organisations which are owned and controlled by people working in them. They can be set up as co-operatives (for the benefits of members only) or for the benefit of the community.  
*Rules of organisation:* set of rules  
*Pros:* democratic, limited liability for members  
*Cons:* can be more difficult to set up than a company limited by guarantee  
*Eligible for charitable status:* yes, if for the benefit of the community and not for profit; no, if a co-operative  
*Typical examples:* food cooperatives, housing associations, credit unions

The Dulas Valley Community Wind Partnership set up a community wind turbine. With their experience of setting up a private company limited by shares, they went on to found The Renewable Energy Investment Club, to help others in a similar situation.

**i23**

- **Private Company limited by shares**  
People in the community provide all or part finance for the project, issued as shares to the members of the company.  
*Rules of organisation:* Memorandum & Articles of Association  
*Pros:* for projects requiring large amounts of capital  
*Cons:* requires legal advice. Can be costly to set up and manage.  
*Eligible for charitable status:* probably no, but at discretion of Inland Revenue  
*Typical examples:* community wind turbine
- **Trusts**  
Organisations where a small group of people (trustees) legally own the organisation's property (money, land etc.) and administer it according to the purposes defining the trust.  
*Rules of organisation:* Trust Deeds, which detail the rules of the trust  
*Pros:* useful when the organisation has assets, such as historic buildings  
*Cons:* trustees are liable for any losses; undemocratic representation  
*Eligible for charitable status:* yes, depending on aims  
*Typical examples:* funding bodies

No structure is fixed in stone. All can be changed if the members of the organisation decide to do so, though such changes will generally require legal input. It is not uncommon for organisations to begin as unincorporated associations, and then convert to companies limited by guarantee as they grow.

### 3.2 Rules of the organisation

All organisations have some form of formal structure. This is documented in different ways, but the most common ones used by community groups are either a Constitution (for unincorporated associations) or Memorandum and Articles (for companies limited by guarantee). If you are seeking charitable status, the wording in these documents is extremely important (see below, Chapter 3.3).

A constitution describes in detail the aims of your organisation, its organisational framework and the financial arrangements. Fortunately you may not need to write one from scratch if you can find an existing model to use as a base. It is, however, a legal document, and some care must be taken with it. Your local CVS, LEC or SCVO will often be able to provide detailed help and models. For Memorandum and Articles or other formal structures, seek legal help. Your local CVS or LEC again should be able to advise where to start.

Some things to think about when setting up the rules governing your organisation:

- what is the quorum you require for decisions at meetings? Set this too high, and you may not be able to make decisions or actions when you want. Set this too low, and a few people can control the direction of the group. You know your community best: try to pick a number which is realistic.
- you will have to specify that your accounts will be checked yearly. You can specify in your constitution that this must be by a qualified auditor – but if so, you will need to pay their professional rates. If there is limited activity in your bank account, this is not cost effective. Alternatively, you can word your constitution to require that the finances be checked for accuracy, but not specify by whom. This allows you to use someone locally who is respected and independent. The correct course will depend to some degree on the nature of your project, and the amount of cash turnover involved.

**i2** **i3**

See SCVO Guide to Constitutions and Charitable Status which has sample documents.

**i6**

- who will have access to the bank accounts? This is generally limited to the management committee, but need not be.
- of these people, how many people must sign cheques or letters for arrangements with the bank? It is generally unwise to have only one person, if only to ensure accountability of your project to the community. However, too many signatories will require real organisation every time a payment must be made.

### 3.3 Charitable Status

Many types of organisation can apply to be of charitable status, if the aims are (legally) charitable. In Scotland, this means only organisations set up with at least one of the following aims:

- for the relief of poverty and of the needs of aged and disabled people.
- for the advancement of education.
- for the advancement of religion.
- for other purposes beneficial to the community.

This last criterion is the most vague. The organisation must provide services for the community in the interests of social welfare. However, it does not imply that everything that is beneficial to the community is charitable. In general, charities should not be profit-making. Organisations which have employees on the management committee are not eligible to become charities.

Charitable status brings with it a number of benefits, including access to free banking services and exemption from income tax, corporation tax or capital gains tax on most of its income and gains (as long as income is applied for charitable purposes only). Charities also receive at least 80% rebate on rates (contact the finance department of your local council to see if you are eligible for the remaining 20%). Many grant bodies will only award to organisations with charitable status.

All charitable organisations must in return produce annual accounts, and provide these to members of the public when requested. The manner in which these accounts are presented and audited is also legally defined for charities, depending on their annual income.

Applications for charitable status should be made to Inland Revenue Charities. Ideally contact this office before you apply, to ensure that you include all the appropriate documentation. In general, you will need to send copies of your constitution, articles and memorandum, or trust deeds. The wording in these documents is used when assessing whether you meet the conditions for charitable status – so it is important to get these correct. The Inland Revenue Charities office will look at draft documents ahead of time to check if the documents are likely to support or fail an application. If you already have set up your organisation and your application for charitable status fails, you will need to change your documents, according to the rules outlined within them (e.g. hold a Special Public meeting).

Charitable status is subject to different rules and registration in England, Wales and Northern Ireland.



### 3.4 Structure within organisations

To some degree the structure within the organisation will follow from the type of organisation you set up. Whatever structure is chosen, it should spread the work as fairly as possible, allow for everyone involved in the organisation to have a say in policy, either directly or via elected representatives, and ensure democratic representation for decision making.

Most organisations have the following office bearers:

**Chair**

- leads meetings.
- often the figurehead or spokesperson of the organisation.

**Secretary**

- provides accurate records of meetings (the minutes).
- deals with correspondence.
- ensures necessary paperwork is ready for the meetings.

**Treasurer**

- keeps accurate records of all money in and out.
- ensures accounts are examined each year.
- often provides financial projections for the future course of the organisation.

Some of the tasks may be further split (for example, a minutes secretary for meetings, and a secretary to deal with other paperwork and correspondence). Some organisations have additional office bearers such as a fundraiser, publicity officer or vice chair. In addition, sub-groups may also be formed, sometimes to deal with projects of a limited time duration (such as overseeing a new building from plan to completion), sometimes to deal with specialised tasks as needed (such as recruitment and staffing). The aim is to divide the work so that no one or two people become overwhelmed, while at the same time ensuring timely and smooth operation. There is no right or wrong structure, but one which works for the people you have at the time.

If you have the luxury, try and ensure that your committee represents a broad selection of people and skills, men and women, ethnic minorities, old and young. This will contribute various viewpoints in the community – and look good on funding applications.

## **3.5 Meetings**

Some people love them, and some people hate them. However, meetings are necessary in order to get consensus on issues and determine what needs to be done. The trick is having enough meetings to accomplish these tasks without requiring an ever-increasing number. The real trick is doing this in a way which is enjoyable and productive.

There are several types of meetings, some legally required by the type of organisation you set up:

### **3.5.1 Public meetings**

These meetings are just that: meetings open to everyone. They are usually called to assess demand for a project or to discuss projected changes to an organisation or constitution. In general the agenda is kept short, to allow plenty of time to discuss issues. This may be the occasion when a steering group is appointed to take the project further. Issues to consider when setting up a public meeting have been discussed in detail in Chapter 2.3.4.

### **3.5.2 Annual General Meetings (AGMs)**

These are legally required by most types of organisations. A report, verbal and/or written, of the events of the organisation in the past year is presented (usually by the chair) as well as a report by the treasurer explaining the last year's accounts. The minutes read at an AGM are those of the previous year, not the last meeting of the organisation.

The AGM is a very important meeting. It is the opportunity to attract useful people onto your management committee / board according to the rules of the constitution / memo-

random and articles. Any changes to the rules of the organisation can be proposed at the AGM (and read your rules carefully to see how such changes can legally be made).

An AGM is one piece of evidence to the outside world of the support your organisation has in its community. For this reason, you should publicise the event widely and with sufficient time, and encourage people to attend. Ask people to send their apologies if they cannot make it, since this will be recorded in the minutes (and can be used to show support for your group).

The formal aspect of an AGM is undeniably boring. For this reason, many organisations try to keep the business part of the meeting brief, and to add something else to the meeting which is of interest to the public, for example a speaker or refreshments or both.

### **3.5.3 Ordinary meetings of the organisation**

There is no hard and fast rule on how many meetings an organisation should have. Much depends on the type of project, the activities involved and the amount of work the committee as a whole must do to keep things going. Too few meetings, and no decisions get made and people lose touch with the project. Too many meetings and there becomes real danger of burn out.

Remember also that all meetings need to be publicised in advance. Ideally at the end of each meeting, the next one is announced. However, not everyone attends all meetings, so you will need to inform people, either by writing or phoning round. Some organisations go for a regular slot (e.g. the first Monday of the month) or set all meeting dates a year in advance.

There is also no hard and fast rule on what a meeting should cover. An agenda listing the proposed business should be available. This is often compiled by the chair and secretary ahead of time. It will usually cover the following:

- minutes from the previous meeting must be approved as correct.
- any further information relating to issues in previous meetings (usually under the heading 'Matters arising' unless it appears as a separate agenda item).
- reports from any subgroups in the organisation.
- any issues where decisions are needed.

It is important that the secretary records 'action points' while taking minutes, since these will remind people when they have agreed to do further work. It is also therefore important that the minutes are circulated at the least to every person who has an action point, and ideally to the whole committee. In any case, copies of minutes should be available from a known person or in a known place.

## **3.6 Membership of your organisation**

Ideally you want a large number of people, representing a cross section of your community, involved in your organisation. Some will want to take on leadership roles, but many positively shun this aspect. Try to keep records of who is willing to do what, and call out the troops as needed.

When setting up meetings or events, think about making these as accessible as possible to everyone in your community. Are the facilities accessible for the disabled? Can you cater for the visually or hearing impaired? Can you arrange childcare or respite care for interested people? How will you welcome newcomers?

### 3.7 Financial arrangements

Almost all groups will have some money, even if only a small amount from local fundraising to cover costs of posters and newsletters. The treasurer of the organisation has the responsibility to record incoming and outgoing funds. You do not need to have an accounting degree to be treasurer, but you do need to be comfortable dealing with money! Fortunately there are often free courses available which provide training in being a treasurer. Contact your LEC, CVS or SCVO.

**i 2** **i 3** **i 6**

Setting up a bank or building society account is straightforward, and indeed part of the rules of the organisation will describe who will have access to the account. Many banks or building societies have special accounts for voluntary groups. Charities and in some cases voluntary groups are eligible for free banking. However, check if there are any conditions attached to the free status, e.g. keeping a minimum amount or setting a limited number of transactions. If you will be fundraising for large grants, consider opening a high interest account as well. Some banks provide a service which automatically switches between the high interest and normal account.

**i 21** **i 22** **i 23**

Consider banking with an institution which has an ethical investment policy. The Co-operative Bank and Triodos bank are two of the best known, and other banks/building societies may follow suit. The disadvantage may be lack of local branches, so assess how important this will be to your group.

It is important that good and accurate records are kept. Most groups have a book in which money coming in and money going out are recorded, separated into different categories (e.g. wages, photocopying etc.). Always keep paper evidence for each transaction as well. You may need a separate accounting book for petty cash. If you are selling goods or services, invoice books will also be necessary. Again, seek training here if necessary: it is not difficult once you have a system set up and have done it a few times.

**i 2**

Your accounts must be checked every year for accuracy, either by a professional auditor or someone with local credentials. Your CVS should be able to advise you on who offers this service locally and how much they charge.

Someone in the organisation, probably the treasurer, will need to keep an eye on the financial health of the organisation, and provide projections for the future. Much of this carries on from the initial business plan of the group (see Chapter 4.7). You will need to draw up a budget – a table showing expected income and expenditure during a set time period in the future (e.g. a month or quarter). From this budget, more detailed cash flow projections can be made if necessary, where you determine that you will always have the cash to meet demand in each month. Where there are gaps, you can then identify how to plug them (e.g. another bake sale or large grant application). If your business plan has been done thoroughly, the budget and cash flow projections should be fairly straightforward, especially if done on a computerised spreadsheet. However, you must also bear in mind any future plans which did not appear in the business plan or in the previous budget, and adjust your calculations accordingly. It cannot be stressed enough how important it is to try and look ahead as far as possible.

If your project involves selling goods or services, VAT may be an issue. Many businesses effectively collect VAT from their customers on behalf of the government. Legally, all business with a taxable turnover greater than £52,000 must register with Customs and Excise, but it may be worthwhile to register even if the turnover is less. Contact Customs and Excise for further details about VAT issues.

**i 29**

Many of the transactions in your organisation may not involve money of course. You may get a number of services or goods donated for free. You may in fact involve your organisation in an alternative financial system, such as a LETS scheme where goods and services are bartered locally. Such possibilities are always worth pursuing in community projects: they keep your organisation in touch with the community, support other community businesses, and may be a valuable contribution to your project when cash – as always – is a problem.



### 3.8 Data Protection

As soon as you start keeping records of people's names on a computer you have to comply with data protection requirements. This means agreeing to eight Data Protection Principles, as defined by the Office of the Data Protection Commissioner. Most businesses must notify the Commissioner of the types of data they hold. You probably do not need to notify if you are a non profit organisation, but you will have to keep records in such a way that you can supply information as outlined in the regulations. Contact the Data Protection Service for information about the regulations, whether you need to register, and current fees. At the time of writing (2002) the yearly registration cost is £35.



<p><b>Case Study 2</b></p> <p><b>The Community</b></p>	<p>The island of Muck in the Inner Hebrides, with a population of less than 40 people.</p>
<p><b>The Problem</b></p>	<p>For power the islanders were dependent on diesel generators which required shipping large amounts of expensive fuel from the mainland.</p>
<p><b>The Project</b></p>	<p>Two wind turbines were built, and now supply renewable, clean energy for the islanders, using diesel generators as backup. The funding came from the local LEC, EU, National Lotteries Board, Highland Council, and donations from individuals, islanders and other trusts. Income from the scheme will be used to cover repair and maintenance, and eventually replace the turbines at the end of their lifetime (c. 20 years).</p>

## 4. Business Plans

The words ‘Business Plan’ scares off many a community group. In fact it is simply a detailed dissection of your project. Much of the information has already been researched when the feasibility study was undertaken (see Chapter 2). However, there is a major difference between the two: the feasibility study showed that your project should work; the business plan details in depth exactly how this will happen.



The business plan will be of use when you apply for grants or loans, but its greatest help is to your group, since it presents exactly what must be done, when it should happen, and what results you expect. It should provide a picture not only of the project, but also the community in which the project will fit.

**i 2**

**i 3**

Once the structure of the plan is broken down, it becomes a manageable task. Indeed, you have probably thought about all the issues already – and if you haven’t, you should! Your local LEC or CVS may be able to point you to various ‘skeleton structures’ you might wish to adapt. This chapter also details sections you may want to include.

### 4.1 Summary

Some business plans call this the executive summary. You may write this last! It provides a short summary (no more than one side of the paper) of what your project is, the community it represents, what it wants to achieve, and what it needs to do so. The summary should also list basic information about your organisation: its name, charitable status number (if appropriate), a contact in the organisation with address, phone numbers and e-mail addresses, and bank/building society details (bank name, account number, sort code).

### 4.2 Background and introduction

This should be an introduction to your project, providing information on:

- the history of the project and group.
- the community in which your group operates. Where possible back up your information with statistics.
- your group’s track record, especially successes.
- the product or service you wish to offer and why it is important to the community (in general terms, without being too technical).
- the impact this project will have on the wider community, and its contribution to sustainable development.

### 4.3 Project details

Some business plans use the following subheadings as separate sections of the business plan. Much depends on the complexity of your project.

#### 4.3.1 Demand

You will have prepared this for your feasibility study already (see Chapter 2.3). Summarise the findings here, but with details. For example, list all potential recycling centres in the area, rather than simply saying there are several centres within a 50 mile

radius. If you have undertaken a detailed survey, you can put a table of the findings in an appendix. If any members of the community particularly support your project, this should also be mentioned (e.g. if Business X says they will make use of the recycling facility for all their paper, make sure you mention this, but try to quantify what this might entail).

If you know of similar products or services elsewhere, it is useful to note this, pointing to similarities and differences between the two communities and projects. Information gained from similar projects will be invaluable to you – and may sway potential funders.

### **4.3.2 Aims and objectives**

These follow on from the Background and introduction, providing you with more space to detail what you hope to achieve and how you will do it. The following issues should be addressed here:

- who will benefit? Think of all members of your community, including people on low incomes, children, single families and vulnerable groups.
- why is your product / service needed?
- where it is needed?
- when it is needed?

### **4.3.3 Workplan**

A workplan follows on from the Aims and objectives, because it shows how you have determined to fulfil these aims. A workplan is particularly useful for projects with a number of set tasks which influence each other. It should be a detailed time line of when you expect the individual parts of your project to take place. It can often be illustrated as a graph.

## **4.4 Marketing**

This section also follows on from your feasibility study, and in some business plans the Demand section is part of the Marketing one. Having established that there is a demand for your product or service, you must now demonstrate how you will make sure the community knows about you, and makes use of you. Chapter 6 of this handbook goes into more details about this issue. Summarise your strategies here, with costings.

Discuss honestly what your competition is, and what it lacks to meet the demand. You might compare quality, range, price, service, location, image, or their commitment to sustainable development.

## **4.5 Management and staffing**

### **4.5.1 Your organisation**

The people reading your business plan want to know that you have the skills to organise and manage your project. Describe your group, and if established, the management committee, discussing the background and skills each member brings. These do not necessarily have to be formal qualifications, nor do they need to have been gained in paid employment. For example, someone who has run a charity shop in town for 10 years can list a number of skills, organisational and social, gained in this voluntary job.

As you list the skills of your committee, you should assess what skills are not available. This may be the same as your feasibility study, or the situation may have changed since then. Try to recruit others in your community to help address any gaps. This not only helps your business plan: it should also provide needed depth to your organisation, even on a temporary basis. For example, perhaps there is someone with noted fundraising

skills, who will agree to help informally at the beginning, or perhaps there is an architect who will help with plans. Don't forget to list offers of support from local leaders and politicians as well.

**i 2****i 3**

If your project involves major funding applications you will need to demonstrate that someone in your group can manage the finances. Here it *is* useful to have someone with qualifications or past experience. However, if not available, it is important to demonstrate that someone in your group will get training very soon (or ideally is undergoing this at the time of writing). Your LEC or CVS can often identify free courses, or indeed may be willing to provide specialist help in the early stages of the project, e.g. an accountant to help until the treasurer is fully confident.

If there are other gaps in the skills you think you need, flag these up, and identify possible places for training. Indeed you can build the training costs into your business plan. Potential funders will realise that you have thought through the issues carefully.

This section is also where you describe the management structure of your group (e.g. unincorporated association or company limited by guarantee). It is useful to draw a simple graph showing responsibilities, especially if you have formed subcommittees. Some business plans include a copy of the constitution as an appendix.

#### **4.5.2 Employees**

If your project will employ staff, paid or voluntary, you should supply detailed job descriptions, who each person will answer to, and what relationship exists between the organisation and the staff. See Chapter 7.2 for further discussion of staffing issues. Charts can be a very effective means to illustrate this information. Job descriptions and individual workplans, even for volunteers, should be placed in the appendix.

In many voluntary organisations, the committee members have no experience in being 'management' and all that this entails (appraisals, training plans, communication, job descriptions, paying wages, regulations etc.). Fortunately training is available for the management on many of these issues, and again commitment to undertaking training can be highlighted in the business plan. Where possible, if staff are to be employed in the project, try to incorporate a co-ordinator post.

As discussed in Chapter 7.2.5, you will prepare a number of policies for staff. Any which are written and in place at the time of writing the business plan should be put in an appendix. Mention in the plan the ones you will be writing in the (near) future, in particular the Health and Safety Policy and the Equal Opportunities Policy.

### **4.6 Resources**

This section allows you to discuss in more detail the premises and equipment needed for your project. In some cases, where the project involves only people, this section may discuss their contribution in more detail. However, in most plans it will concentrate on the premises for your project and what is needed to get the project up and running.

Much legwork will have been done before this, to identify what is needed and then to find some place locally which fulfils these criteria. This part of the plan should describe why the premises suit your project, and the costs involved to make them functional. Many of the issues you will need to consider are discussed in Chapter 7.1 of this handbook. You will also have made a good start on many of the costings when you did the feasibility study.

The business plan should summarise the costs involved for:

- rent or purchase.
- start up equipment costs (summarised).
- estimated running costs.
- professional costs, such as legal fees involved in the above.

If there are building or renovation costs, you will also need to summarise:

- planning and/or building permits.
- joinery.
- electrical.
- plumbing.
- professional costs such as architect and agent fees.
- other costs (e.g. demolition, waste removal etc.).

You will need to prepare very detailed lists for many of these categories for your own purposes. A well laid-out table is useful to you and to readers of the business plan when trying to assess the full picture. Don't forget VAT if applicable (see Chapter 3.7).

Having listed the costs, you should now discuss how you propose to fund them. This can be done in this section of your business plan (e.g. if you are applying for a grant which covers only renovation of the premises) or can be considered along with funding for the project as a whole (see below).

## **4.7 Financial information**

This is the nitty gritty of the business plan, and the section which many groups find most challenging. However, if you've done your homework beforehand, thought through what you need, and costed it as you went, it will be a fairly straightforward exercise. Expertise in computerised spreadsheets is an undeniable asset, speeding things up, so try and find someone in your group or community who can help here.

Numbers alone are not sufficient. The assumptions behind each costing should be carefully explained. Usually this is done by placing a letter or number next to the description, and then the reasons behind the figure should be explained below the table or on a separate page. The more details you explain, the more help you will find your budget listing at a later date. Where you are estimating costs or income, be very explicit about this point.

At its simplest, you must demonstrate that enough money will come in to pay for the start up costs. Thereafter you must show that enough money will come in to pay expenses, and at a rate which means you will have enough money to cover day to day running (cash flow). A large grant which will be paid in two years down the road is no use if you do not have enough funds to survive until then. If you expect to make a profit, this should be detailed as well.

Remember that some income may be in-kind or donated, for example free legal advice, training, equipment etc. This is important to indicate clearly in the notes. It has the added bonus of showing wide support within the community.

### **4.7.1 Start up costs**

Most of these costs have been researched either when doing the feasibility study (see Chapter 2.6) or for your section on Resources (see above 4.6). If you have listed these in depth in the Resources section of the Business Plan, you can summarise the categories

here, with a note to see the other section. Alternatively, summarise the information in Resources, with a note to see the Financial section.

Your project may include some or all of:

- costs involved in renovation or building premises (see above 4.6).
- office equipment, including furniture and initial supplies.
- computer hardware (system, printer and possibly scanner, digital camera etc.).
- computer software (think what you might need here and ask advice. Will you be doing your own payroll? Do you need an accounting package? Don't forget first aid and virus checking.)
- specialised equipment.
- carpets, flooring, curtains.
- kitchen equipment.
- cleaning equipment.
- telephone connection.
- initial recruitment (check out newspaper advertising rates).
- initial marketing (posters, leaflets, meetings, launches, paid adverts in media).
- initial training.
- registration of premises.
- setting up a stakeholder pension (if more than 5 employees).
- consultant fees (legal, architect, accountant).
- vehicle.

#### 4.7.2 Revenue costs

As noted in Chapter 2.7, you will also have considered many of these issues when doing the feasibility study. The business plan should provide more detailed and concrete costings.

Many community projects find revenue costs the hardest to meet over a long period, and for this reason you should take care to identify as many of them as possible. It is wise to assess them for three years, trying to think what might be different in years 2 and 3. For example, inflation may well affect some costs. Will your staff get rises? Are the water bills going to skyrocket? Make sure you document your assumptions for each item, so that you can remember why you used the figure you did.

<b>Case Study 3</b>	
<b>The Community</b>	Alloa in Clackmannanshire
<b>The Problem</b>	The community suffered from unemployment and few recycling options.
<b>The Project:</b>	Alloa Community Enterprises (ACE) was founded in 1984, with the aims to reduce unemployment and provide training. It began as a furniture recycling project, employing one person. Since then other projects have been added including recycling of glass, cans and textiles, CFC extraction from fridges, and a community repaint project. It now employs over 10 people. ACE won the UK National Recycling Award for the Best Community Project for Recycling in 2001.

Your project may include some or all of:

<i>Notes</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>
<b>Costs involving staffing</b>			
(1) wages			
(2) National Insurance			
(3) holiday cover			
(4) public holidays			
(5) pension contribution			
(6) recruitment			
(7) employer liability insurance			
<b>Costs involving the premises</b>			
(8) phone bill			
(9) rent			
(10) insurance			
(11) rates (business and water)			
(12) electricity			
(13) heating			
(14) maintenance			
(15) stationery & other consumables			
(16) kitchen supplies			
(17) cleaning & bathroom supplies			
(18) photocopying			
(19) newsletter production			
(20) computer consumables			
(21) refuse collection			
(22) yearly inspections			
<b>Transport costs</b>			
(23) vehicle insurance			
(24) vehicle depreciation			
(25) vehicle petrol costs			
(26) other travel costs			
<b>Other costs</b>			
(27) training			
(28) marketing			
(29) membership fees			
(30) data protection registration			
(31) bank charges			
(32) depreciation			
(33) loan repayments			
(34) professional consultants			
(35) other			

Notes:

- (1) Be sure to include all paid staff, including a cleaner. For years 2 and 3, decide whether there will be a pay rise, and record this in the notes.
- (2) Information and booklets available from the Inland Revenue.
- (3) This is a legal requirement (at the time of writing, minimum 4 weeks) for full time and part time staff. See Chapter 7.2.2.
- (4) This is not a statutory obligation for the employer.
- (5) All organisations with more than 5 employees must provide access to a stakeholder pension, though they need not contribute to it. Contact an independent financial adviser for more information.

<b>i 6</b>
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- (6) This will probably be a guess, either of planned increase or of staff turnover.
- (7) These costs vary greatly. Contact brokers and/or similar organisations to see if there is a group scheme. You may need public liability insurance as well if there is a possibility a member of the public could get ill or sustain an injury while at your organisation.
- (8) Estimate of quarterly rental plus calls.
- (9) How long does your lease run, and will there be an increase in years 2 and 3?
- (10) Property and contents insurance. Again, shop around.
- (11) Water rate rebate for charities is being phased out. Contact water board or SCVO for latest details. Charities will receive at least 80% rates rebate; contact your council finance department to see if you will be granted 100%. Non-profit organisations may be granted rates rebate at the discretion of the council; again contact the council finance department for details.
- (12) An estimate, though ask similar groups for ball park figures.
- (13) ditto.
- (14) ditto, though older premises may need more.
- (15) In-kind donations may help here.
- (16) ditto.
- (17) ditto.
- (18) Always overestimate.
- (19) Distribution costs. What will your photocopying and postage be? Can you produce it yourself?
- (20) Depending on your printer, these can be a considerable costing.
- (21) Contact your local council. Costs will probably rise in the next years.
- (22) E.g. by electricians. Governed in part by Health and Safety regulations. Contact your local council.
- (23) Shop around.
- (24) There is no single accepted rate of depreciation. Speak to an accountant or the person you will have do your accounts.
- (25) Estimate mileage and petrol costs, and detail these estimates in the notes.
- (26) Include other transport costs for committee members and staff, and detail how you estimate these costs.
- (27) This should include training for committee members and staff. Will it include childcare as well? Detail how you estimate these costs.
- (28) How will you advertise? See Chapter 6 for further discussion.
- (29) Membership fees for relevant organisations. Sometimes the cost of the fees is saved by insurance discounts.
- (30) If legally required.
- (31) If applicable.
- (32) See note (24).
- (33) If applicable.
- (34) These include people you pay every year on an infrequent basis, for example, someone to do the payroll, or the auditor of your accounts.
- (35) Either lump together and specify in the notes, or extend the table.

### **4.7.3 Later capital costs**

Capital costs are one-off expenses. They can include replacement equipment, or equipment you intend to purchase later in the life of the project. For a new project, these items would be likely to appear in years 2 or 3. Some may be dependent on finding additional outside funding, and this should be made explicit in the business plan. The business plan for a new project is unlikely to include many items in this category. For later financial planning of your organisation, it will be a major section.

#### 4.7.4 Income

This is where you specify where you will obtain the money and donations to cover the start up and revenue costs for the three years. Will some parts be phased over several years? Be sure to clearly indicate in the table or your notes what is already available or promised, what you can reasonably expect (e.g. how much will you fundraise locally each year), and what you still have to look for. Sometimes it is helpful to divide the income between start up costs (which should be a one-off expense) and revenue costs.

Likely sources will include some or all of the following (detail individual lenders, with amounts, for each category):

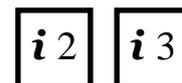
Notes	Year 1	Year 2	Year 3
existing resources of group			
grants (specify individually)			
local fundraising			
loans			
overdrafts			
donations (financial)			
donations (in-kind)			
income from sales/services			

Again, don't forget to include donations of services and objects. It can be important to assign a value to these items, since some funding sources will 'match fund', i.e. match what you have obtained from elsewhere. For example, a gift of land valued at £20,000 has added value if this is the case. Remember also that the time of the committee is also an asset (indeed, many groups recommend that their members fill in 'time sheets' during the intensive planning stages of a project, and this time, at an agreed hourly rate, can be seen as a donation to the project).

Ideally your projected costs should balance with your projected incomes, if not yearly then over a defined period. If they do not, you must look long and hard at your figures. Are your estimates based on good foundations? You must either reduce expenses or increase income – but be sure you are realistic about both options.

#### 4.7.5 Cash Flow

It is not unusual for a business to run at a loss in its early stages, but the business plan should show that it is moving towards breaking even or even making a profit. You can monitor this by producing a cash flow projection. This is a chart which lists income and expenditure, broken down in the categories you have already used (or perhaps grouped in some cases), at regular intervals over the next years. Generally this is done monthly, but depending on the nature of your project, you may be able to stretch this to longer intervals. Your cash flow projection will in turn provide the basis for you to monitor your project continually, and to plan for its future. Help on producing a cash flow projection can be obtained from a number of sources. Again your LEC or CVS will have a good idea where you can turn locally.



#### 4.7.6 Profit forecast

Some business plans include a profit forecast at the end of the Financial section. This is simply a yearly total showing income in and expenditure out, with the resulting figure either profit or loss. However, profit forecasts are not substitutes for a cash flow projection. Bear in mind that they are snapshots at a certain moment, and not necessarily a 'typical' one. Some funding bodies will ask for any 'profits' from charities to be returned, so you may have to negotiate if you wish to carry this 'profit' to the next year.

## 4.8 Evaluation and Monitoring

Many grant bodies now require that you monitor the success of your project at certain intervals. Your business plan should contain a section where you state your belief in the process, and present various concrete ways you intend to monitor and then evaluate your project. See Chapter 8 for further discussion of evaluation and possible methods you might wish to highlight.

## 4.9 Appendices

The appendices of the business plan should contain any longer documents which would clutter up the sections of your plan. Examples include:

- constitution
- photographs or technical drawings
- maps of the area
- job descriptions
- survey forms and tables of results

These have the advantage of clearly showing readers that you have made a thorough study. They have the major disadvantage in photocopying costs!

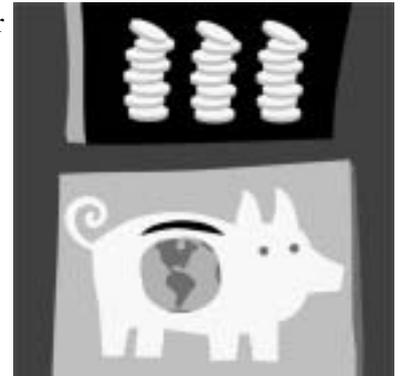
<p><b>Case Study 4</b></p> <p><b>The Community</b></p>	<p>The island of Skye and the nearby mainland of Lochalsh are situated on Scotland's west coast. It is a large, scenic area dependent in many respects on tourism.</p>
<p><b>The Problem</b></p>	<p>Skye and Lochalsh, like many remote communities in Scotland, pay a premium for imports due to the high costs of transport. During the summer months, demand for certain items, such as food, is higher due to tourists.</p>
<p><b>The Project:</b></p>	<p>Skye and Lochalsh Horticultural Development Association was formed in 1994 to work towards addressing local food distribution problems and to encourage more food to be grown locally. It received funding from Highland Council, EU and the local LEC. Local food production has increased between 30% and 50% since 1999, much of it sold to the tourist operators. Box schemes and horticultural advice have also been started.</p>

## 5. Fundraising

Almost all community projects will need money, even if only a little to pay for photocopying. There are various places to look for money:

- donations from people.
- local fundraising activities.
- grant applications to organisations.
- loans.
- issuing shares.

As soon as you start getting money in, you will need a bank account and someone to keep detailed records (usually the treasurer). See Chapter 3.7 for more details.



### 5.1 Donations

These are obviously very useful, but also very unpredictable. Some may be from local people, while others may be from donors outside your community but sympathetic to your project. Some may be approached by word of mouth, but others by letters. In all cases, you will need to present a clear case. For example, don't write 'it would be good for the environment'. Instead, present a more detailed description such as 'a solar building co-operative will result in a pool of experienced solar builders, reduced costs of solar installation, reduced fuel bills for people installing solar systems, and a reduction in carbon dioxide emissions'.

Many local businesses will donate some goods at the start of a project, so think carefully what to ask for (e.g. a first aid box from a chemist, paint from a decorator etc.). Carry letters with you listing the name of your organisation, its goals and aims, its charitable status number (if appropriate) and contact details, since many donors will want a copy.

If you are targeting people outside your community, you should take even greater care in preparing your case. A mass of begging letters is unlikely to yield responses, but some carefully thought-out requests may be successful. It is useful to:

- summarise the social nature of your project. If you are a charity, say so.
- present your case in as business-like a manner as possible (especially for large donations). If you have a business plan already written, say this.
- emphasise what link the person might have to the project and community.
- state what you want (e.g. '£600 to cover the costs of a computer for the administration would greatly aid us in putting together a feasibility study' rather than simply asking for a contribution). You must judge the level of giving you can expect.
- think about what you can offer the donor. This could include compiling a public list of 'patrons' or organising a launch or opening to which the donor will be invited. At the very least the donor should feel that the gift is important and that your organisation appreciates the generosity. A follow up thank you letter should also be written of course.

### 5.2 Local fundraising

Local fundraising serves two main purposes: it can be a fast way to get cash, and it serves to keep your group in the eye of the community. Most events take a fair amount of time and effort. For this reason, it is important to:

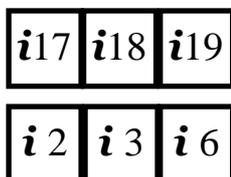
- share the tasks with as many people as possible in your group.
- if possible aim for less frequent events which net more money.
- maximise publicity for each event (see Chapter 6).



describes local fundraising in more depth.

## 5.3 Grant applications

Many projects will need large amounts of money. Don't let this scare you. It often takes the same amount of effort to write a funding application for £500 as it does for £50,000. Many funders are as happy to give £50,000 as £40,000, as long as the reasons for the request are well thought out and presented.



Fortunately there is also help available to find suitable funders and to structure your applications. Books and computerised databases on the web can help you to identify possible sources of funding. Grant writing is an art, but one which can be learned. Your CVS or LEC may be able to help or point you towards training to enable you to phrase your applications in the strongest way possible. However, your organisation must provide the facts. Even if a business plan is not required, most of the information necessary for the grant application will be contained within it (see Chapter 4).

In order to be successful, you must:

- have a well presented case for the money.
- have a clear idea what you are asking for. This may be all or part of your project. Be specific and break down your costs in the applications, so funders can choose what they wish to support.
- present this case so that it fits in with the aims and criteria of the grant. For example, if the grant favours children, show how your project will benefit children in the community. Read the application form very carefully.
- demonstrate to the grant bodies that you have the financial expertise within your group to manage the money, and other resources to carry through the project.
- have a clear idea how you are going to report back to the funders. Many applications will ask you this on the form. See Chapter 8 for further discussion of evaluation.

Many grant awarding bodies have a form to fill in, though you will probably have to supply other information such as a copy of your last year's accounts. If there is no form, use the structure of the business plan to summarise your application, and, if appropriate, append the business plan. For smaller grants, for example local charitable trusts, it may be sufficient to produce a shorter summary covering the project title, a description of the group, a description of the project, how much you are requesting, and a short discussion of what you will use the money for and who will benefit in the community.

Other factors to consider:

- if possible type the application, or type the responses and paste them in. Some funders now provide computer copies of forms.
- list a contact on the form who knows about the group and can speak clearly about the project. Many funders will phone to discuss the project further. If so, find a time when you will not be disturbed.
- target your funding bodies carefully. If you know many people in town are submitting applications to the same funding body, think about applying elsewhere. Many organisations will not give funds for revenue expenses, such as salaries. Use the few which will consider revenue awards for this purpose.
- read the background information carefully. It may show areas the funder has supported in the past. It should also state what projects they are unable to fund.
- try to understand the fundraising jargon, and to use it appropriately in your application. For example, if you are asked for SMART objectives, make sure you know what these are. Other useful phrases include: social inclusion, rurality, capacity building, stakeholders and of course sustainable development.

- you may be asked to set targets, which will be used when evaluating the project (see Chapter 8). Try to ensure that you set measurable ones which can be realistically achieved in the time period.
- emphasise the range of people within the community who will benefit from the project. Don't forget children, retired, disabled, single parents, low income or any of the less advantaged people in the community.
- choose referees carefully. Ideally they should be community figures such as your local councillor, or a respected person in the community. Don't forget to give your referees a copy of the application and some background information.
- if you are asking a range of funders to support the project, you may have to ask different funders for some of the same expenses. Otherwise, you risk the whole project stalling if one application is unsuccessful. You can refuse/return a grant if necessary.
- always do local fundraising as well. This shows the funders that you are active in your community, and working within your means to contribute to the project.
- the funding process can take an enormous amount of time. Six months from the deadline to the decision is not uncommon. If matching funding is needed, this lengthens the process even more. You will need patience – and to build this into all your plans.
- if you are unsuccessful, ask why. You can then resubmit an application later which has a better chance of being awarded.

If you do obtain a grant:

- make sure you thank the funders.
- pay close attention to the way in which they want their award monitored. This should influence your bookkeeping and information gathering from an early stage.

## 5.4 Loans

The obvious problem with loans is that they need to be repaid. If you are taking out a loan, you (and the lender) must feel confident that you will be generating enough income to repay that amount as well as the interest. Never take out a loan if you are an unincorporated association: all office bearers are liable for the debts.

Banks and building societies are obvious sources for loans. In particular, Triodos Bank, The Ecology Building Society and the Co-operative Bank have a good track record in lending to environmental projects.



## 5.5 Shares

Funds can be raised by issuing shares if an organisation has been set up as a Private Company limited by shares. People within the company buy shares which provide all or part of the capital for the project, and give them part ownership of it. It is a complicated exercise, requiring legal advice. However, it can raise large amounts of money, and is suitable for certain types of projects such as purchasing a community wind turbine.

After going down this route, the Dulas Valley Community Wind Partnership in Wales went on to found The Renewable Energy Investment Club, which helps other groups who wish to issue shares.



## 6. Marketing your project

Marketing, like business plan, is another highly charged word which community projects tend to shy away from. But if you provide a service or product, your community needs to know about it. Word of mouth will only work so far. Marketing will also serve to keep you in touch with the community.



### 6.1 Marketing strategy

A marketing strategy can be a highly complex or relatively simple statement, depending on your project and its aims. Roughly speaking, the more turnover you expect to have, the more detailed your strategy will probably be.

As a start, concentrate on who will use your product or service. Having a good idea about the people will lead you to identify the best ways to inform them about the project.

#### How can you best reach them?

- word of mouth (but try and control this, providing summary sheets where possible).
- special events.
- features in the local media.
- paid adverts in the local media (use wisely).
- letters to the editor (may require clever writing so that the letter is not clearly a sales pitch).
- newsletters (your own and those produced by other community groups).
- posters (placed where?)
- leaflets (distributed where?)
- internet site.

Your budget is bound to be limited, so think carefully about using the methods which cost money, so that you maximise their impact.

#### When do you need to advertise?

Obviously you will want a flurry of publicity when you first go public. However, it is often a good idea to tell people about the project beforehand, mentioning the expected launch date. Remember also that you will constantly need to refresh people's memory or to catch newcomers to the area. Some people need to read something several times (in several locations) before they are willing to follow it up. Some people think a project has folded if they don't hear about it. Always be on the lookout for a new angle – perhaps a new fundraising idea, a visit by a noted person, special event, anniversaries of openings etc. – and use these to republicise your project.

#### What should you tell people?

This is not a straightforward question! Too little information, and the public may get the wrong idea or not be clear how to find out about your project; too much information, and people will not read it. Important details include: what, where, restrictions (if any) and how much it costs. If possible, always try to include a contact name and phone number. If anyone in your group is artistic, or has experience of graphics design, exploit these skills!

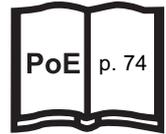
## 6.2 Working with the media

Inevitably marketing will involve using your local media. Working with the media has been discussed in some detail in RtB 1, *Environmental Campaigning*. Some groups appoint one member as their media officer, which has the advantage that the media know who to contact for news. It goes without saying that the media officer must always have up-to-date and correct information, so communication within your group is very important.

Some local newspapers will allow you to write in articles, so if someone in your group has a knack for writing ‘newspaper style’ this can be a good assignment. In other cases, it is best to submit press releases. These are not difficult to master once you have written a few. Examples can be found in PoE amongst other places.



ch. 4



<p><b>Case Study 5</b></p> <p><b>The Community</b></p>	<p>Golspie is a small town in the northern Highlands.</p>
<p><b>The Problem</b></p>	<p>There is little opportunity for recycling, in part due to transport costs for the council. Rural depopulation is also a problem.</p>
<p><b>The Project</b></p>	<p>A number of small, interrelated projects have been set up in Golspie over the last years, helped by an active CVS, LEC and enthusiastic local people. GREAN (Golspie Recycling and Environmental Action Network) put together a complex funding package and purchased a paper shredder in late 2001. Paper is brought to a central location (although there are plans to extend to some collection, perhaps using a milk float), shredded, and then sold to local farmers for animal bedding at costs below straw. Another plot owned by GREAN will be used for community composting, where plants grown on the site will be sold to the local community. The intent is to ‘close the loop’ within the community and thus not need to transport waste or products widely. The project has led to two jobs.</p> <p>Vermiculture projects are also on the go in several places in Golspie, with waste from Golspie Mill and the school being fed to worms. These in turn are sold to anglers or people wishing to start up wormeries. Elsewhere in Golspie, Mobius 2000 recycles computers, selling them on to community groups and other disadvantaged people. It employs three part time staff and three volunteers. Waste materials are also used for craft work at a local drop in centre.</p> <p>Good use of local media has been essential to the projects in all their phases, from gauging interest to marketing the shredded newspaper. Altogether Golspie is a good example of what can be accomplished by thinking locally and building a network of small projects.</p>

## 7. Projects with premises and/or staff

Projects which will require renovation or building new premises, or will involve hiring staff, are more complex to set up and run, but still within the capabilities of a community organisation. In both cases, it is important to know basic regulations and where to go for help.



### 7.1 Premises

Renovating or building new premises is a complicated business. You will need to know planning and building regulations, and will want to involve various regulatory bodies such as health and safety officials or the fire department at an early stage. You will need to have an architect to draw up plans. Once planning and building regulations are obtained, you will need to put bids out to tender, and chase up contractors. If building new premises, you will have to have the consent of the owner of the land, and to ensure all services to the site such as sewerage and electricity are up to standard. In all cases, a proper lease will be necessary.

Since most organisations have to fundraise from various grant bodies to finance the building project, it is often sensible to build into your application fees the costs of an agent who will help you through the process. Most grant awarding bodies realise that this is money well spent for a community organisation. Contact a local architect or solicitor to find out about possible agents in your area. Talk with other voluntary groups in your community who have also renovated or built premises, since they may be able to help with contacts. Bear in mind, however, that even with an agent, someone in your organisation will still have to do a lot of chasing to ensure that the project progresses smoothly. Ask your agent how you can ensure that the contractors meets deadlines and cost overruns are kept to a minimum.

Information about the various planning and building regulations can be obtained from the planning department of your local council. Both applications will also entail a fee, so cost this into your business plan.

Without a detailed architectural background, it is often difficult to plan all areas of a building on paper. Here a brainstorming session with your group is invaluable, and if you have access to someone with architectural knowledge, all the better. Some of the issues you should consider:

- how will you ensure wheelchair access?
- how many toilets will there be, and where will you place them? Ensure that one (at least) is made suitable for disabled people.
- build in as much storage as possible.
- what electrical appliances will you use? If you will have computers, make sure you have enough sockets, and they are in the right place.
- will you have a kitchen? Note that there may be health and safety regulations attached to this.
- make sure you consult with the fire brigade at an early stage, and ensure the required safety features are costed into the plan.
- ensure as many energy efficient features as possible, since your goal is a sustainable building. Consider insulation, heating supplies, window glazing and all other issues. Your local energy advice service within the council should be able to provide help here.

- think how the building will be used, and try to plan your areas accordingly. For example, if a quiet area is needed, don't make this a through route to other rooms. When people enter the building, what will they encounter first?
- will you need loading/unloading areas for heavy goods?
- will you need a parking area?
- think carefully about furnishings. The cheapest is not always the best.
- do you have any special health and safety requirements?

<b>Case Study 6</b>	
<b>The Community</b>	Mayfield, Midlothian
<b>The Problem</b>	Providing local employment which enhances the community
<b>The Project</b>	McSence was formed in 1984 with contributions from local traders (on the condition that any community businesses would not compete with existing ones). Over the years, more and more community businesses have been formed, including insulation firms, workspace rentals to local community groups, and training options. All profits are fed back into the local community, funding for example a youth centre.

## 7.2 Staff

If your project will employ staff, your committee will de facto become employers, with all the responsibilities that this entails.

### 7.2.1 Recruitment

Recruiting staff is a much harder task than at first appears. It will involve:

- **writing job descriptions**  
A job description describes what you expect employees to do. It should list tasks involved in the post, and skills needed to accomplish them; often it is useful to divide your list into essential skills and desirable skills. Your LEC, CVS or similar organisations (which you will have identified when assessing demand) may be able to provide 'skeleton' job descriptions you can modify. Try to think what special skills are needed in your project which don't appear in the templates.
- **deciding where to advertise, and if necessary drafting newspaper ads**  
Newspaper ads are expensive, but reach a wide range of people. Make sure you have all the relevant information in the ad: job title (and if obscure, brief description of post), organisation, hours, who to contact and closing date. Ideally you should also have essential qualifications, salary and interview date as well. Look carefully at existing adverts and decide what works best. Other places to advertise include your local job centre, relevant newsletters or notice boards in suitable places. Sometimes you can contribute a newsy article to your local paper about your organisation which mentions that you are recruiting – though many papers may not allow this. Give yourself enough time for the news to spread.
- **making a short list of applications**  
This may be easy or difficult, depending on the number of candidates. If you have a great number, focus on your essential skills.



- **holding an interview**

Interviews are difficult for candidates, but also for unskilled interviewers. Have at least two people from your organisation on the panel, but think about inviting an outsider, perhaps someone from the community who has experience in interviewing people, or someone from another organisation offering a similar product or service. Plan interview dates well in advance. Make sure you have an agreed list of questions beforehand, and if possible an agreement on certain words to look for. There are many styles of interviews: informal, ones with presentations, ones with scorecards – but ultimately the aim is to adopt whatever you think will select the best person for the post (and not the best person at undergoing an interview). Your job centre may be able to provide interviewing rooms.

### 7.2.2 Working time regulations

As employers, you will have legal responsibilities such as producing contracts or providing holiday pay or maternity pay. These regulations are often termed Working Time Regulations. Fortunately there is help available from a number of sources here:

- The Department for Trade and Industry publishes a number of free booklets.
- ACAS also supplies a variety of documents and can run training sessions.
- Your local LEC may well provide free business advice, and guide you down the number of steps needed. Some LECs have business advisors who will come and discuss specific issues with you without charge.
- Your CVS should be able to point you towards other help available in your community.

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### 7.2.3 Contracts and appraisals

All employees must have a written contract. The job descriptions will form the core of the information. The job descriptions and contracts clearly define what you expect the employees to do. It is a good idea to issue job descriptions to volunteers as well. After all, they are employees, but without pay.

At regular intervals it is useful for management (i.e. you and your committee) and staff to discuss what has gone well and what has not. These are sometimes termed supervisions or progress meetings. They may be formal or informal, but should have a regular structure. At longer intervals, often yearly, a staff appraisal should take place. At best these can be a positive discussion about good points and weaknesses, and identifying ways to go forward. At worst they can be organised and run as fault finding sessions which alienate your staff. Running good supervisions or appraisals is not an easy task, and if possible some people in your group should try and obtain training. Again your LEC or CVS is a good starting point. This may sound overly formal, but keeping good staff is essential to a community-based project.

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### 7.2.4 Payroll matters

Unless you are working entirely with volunteers or self-employed contractors, you will need to ensure that your staff are paid at regular intervals (as defined in their contracts), and that tax and national insurance are deducted as legally required. If someone within your group has accounting expertise and time, s/he may feel confident to take this on (and if so, think about including a payroll accounting package in the start up expenses). Otherwise you will need to 'buy in' this service, perhaps from a local accountant, or financially trained person, or from SCVO. If this is the case, be sure that you calculate this as a yearly revenue expense in all your financial projections.

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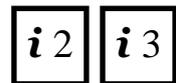
The Inland Revenue produces a pack and a dedicated helpline for new businesses. They can also provide training on various payroll issues.

### 7.2.5 Policy documents

Most organisations find this a great bore to do, but policy documents are worth their weight in gold if something goes wrong in your organisation. Although it is tempting to think that everyone will get on, understand what is to be done, act with common sense, and discuss any differences of opinion in a reasonable manner, experience has shown that this does not always happen. Policy documents provide a common framework so everyone knows what is expected, and where to go if there are any complaints. In particular, you would be advised to develop the following:

- Health and Safety Policy (including a First Aid policy)
- Discipline and Grievance Policy
- Staff Handbook
- Equal Opportunities Policy
- Complaints policy

Again, your LEC or CVS should be able to point you towards existing policies which you can modify. All policies should be regularly reviewed (e.g. yearly) in committee meetings, and if necessary revised, with this fact minuted.



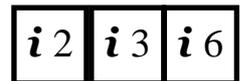
### 7.2.6 Insurance

You will need to have Employers Liability Insurance. This insures the organisation against liability for personal injury and disease which an employee may suffer while at work. An insurance broker can shop round for special deals. Alternatively, if you are part of an umbrella organisation, membership may entitle you to special rates. Your CVS may also know good local deals.

### 7.2.7 Training

On-going training is important for all staff (and committee members as well, for that matter). It can address weaknesses, and contribute to staff development and satisfaction.

Some groups like to appoint a training advisor on the committee, who can undertake training needs surveys, and find sources of appropriate training. Help is available from a number of sources on both fronts. Your LEC, CVS or SCVO can point you towards examples of training needs surveys, which can be adapted to your needs. They can also point you towards a range of training opportunities in your community, many of which may be free. Remember also that your committee or members of the community may be able to donate training on some matters.



<b>Case Study 7</b>	
<b>The Community</b>	Moray is situated on the Moray Firth between Inverness and Aberdeen. The area has a mixed economy, including farming, the air force, forestry, crafts, and tourism.
<b>The Problem</b>	Many people were concerned that much of the money left the area, going into national or multinational hands.
<b>The Project:</b>	New Moray LETS is a Local Exchange Trading System, the largest in Scotland. Goods and services are offered, payable in an alternative unit called LETS. Monthly lists record what members have to offer, as well as current 'balances'. The system encourages local interaction and participation in the economy.

## 8. Evaluation and monitoring

It is far too easy to get wrapped up in all the day to day details of a project, and lose sight of the larger picture, in particular whether your project is benefiting the community for which it was intended. For this reason methods to monitor the project must be thought through, and then these findings evaluated against your original aims and objectives.



Monitoring and evaluation are undeniably time-consuming, and will require some expense (e.g. photocopying and possibly postage). However, the results should provide a better idea of how you are meeting your aims and objectives, and will be useful if you apply for future grants. If possible, build in the costs of the final evaluation (including someone's time) into grant applications. You can also hire outside consultants to do this task, which has the advantage of giving an independent assessment, but is costly.

Y11,  
Monitoring  
and  
Evaluation



Whether you do the evaluation yourself or hire someone to do it for you, you should ensure that you know what you want to measure, choose useful indicators to assess these criteria, and consider how to analyse the data in an appropriate manner. What do you need to know to determine whether the project is a success, or heading that way? It can be useful to have a brainstorming session with your group to look again at your original aims and objectives. How can you tell how well you are meeting them?

Many funding bodies will tell you what they want measured (and unfortunately different funders often want the same information in different formats). As a result, it is important to set in place the systems which will allow you to record the details needed for each funder. For example, if you must show that you are targeting low income families, you will need to develop a way to record this fact. Some criteria will require tact and thought when devising a monitoring system.

At its simplest, an evaluation will look at what resources are brought to the project, how the project has been delivered, and what the project has produced. There are a number of different ways these can be monitored:

- diaries of people involved.
- supervision meetings at set intervals.
- visits.
- outside quality assurance.
- surveys (keep as brief as possible).
- identified criteria.
- SMART objectives (measurable outcomes).

Setting regular targets, especially with grant applications, is one popular method of evaluation, since it provides a clear 'yes' or 'no' outcome (though often with explanations about the 'no'). SMART targets, which are by definition measurable goals, are used by a number of funding bodies. However, targets will only be of practical use to your organisation if they measure important steps towards success.

In some cases, monitoring is simply recording usage in some meaningful way. In other cases, you will need to ask your users for their opinions. Ideally phrase these questionnaires with a number of categories (for example, ticking preferences, on a scale of 1 to

5, or a similar manner), since this allows for easier summaries of results. However, leave space for comments, since these may be of the most value to you in future planning.

Monitoring and evaluation can become an elaborate, time consuming and expensive exercise. As you set up your system, bear in mind the time and resources your group can devote to this exercise. Inevitably this will be a balancing act: you must have enough information to ensure that you maintain accountability to your community and funders, but the group must not be consumed by more and more surveys, visits, and analysis.

Once you have collected your data, this must then be analysed. Try to group as much information as possible into tables and graphs. If you have set targets, these can be listed in a table, with the results beside them. It is important to inform the community about the results of the evaluation, a task many groups forget to do. Use this as an opportunity to gain more publicity for the group as well, and reacquaint people with the goals of the group, ongoing projects, and future ideas. It can be a recruiting device as well.

## 8.1 Financial monitoring

Your yearly audited accounts are one aspect of financial monitoring, but by no means the full story. Outside funders will generally want to assess whether you have spent their money in the ways you proposed to them. Some want to know that you offer ‘value for money’. This in turn requires careful selection of criteria from an early stage in your project. Set up your accounting headings to allow easy tallies of this information.



## 8.2 Social auditing

Of course, the financial success of a community project is often not the main aim. Your project needs to be financial viable so that it does not fold, but the real benefits to the community are often very different. Funders – and your group – may well want to assess the social and environmental costs and benefits of the project. This exercise is frequently called ‘social auditing’.

Various practical approaches and criteria have been proposed to do this. It is beyond the scope of this handbook to discuss the different methods, and in any case, the ones you choose will depend on the aims and objectives of your project. The two contacts listed here are useful starting points.



## 8.3 Evaluating a sustainable development project

This handbook places particular emphasis on sustainable development projects. Chapter 1.1 described five criteria to consider when planning a sustainable development project. This chapter describes one way to assess whether the activities associated with the project are meeting these criteria. Achievements are awarded a score from 5 (best) to 1 (worst). The measurable targets should have been set in the planning stages of the project (see Chapter 1.1).

- I. Has the project led to a reduction of resources towards meaningful targets?
  5. The activity led to net resource reduction for three natural resources to environmental space based targets in three years.
  4. The activity led to net resource reduction for one natural resource to environmental space based targets in three years.
  3. The activity led to reduced use to lesser targets as part of a programme towards environmental space based targets.
  2. The activity led to a reduction of resource use to given targets, and distance from environmental space was measured and publicised.

1. The activity improved efficiency of resource use and raised awareness of environmental space requirements.
- II. Has the activity led to economic development and tackled poverty?
5. The activity directly contributed to a measurable target for income levels and distribution.
  4. The activity led to the creation of ten new jobs for local people through one or more social activity.
  3. The activity led to the creation of more than one new job.
  2. The activity stimulated trading through a local exchange system, such as a skills exchange or LETS scheme.
  1. The activity led to new opportunities for volunteering.
- III. Has the activity promoted participation and overcome discrimination?
5. The activity achieved targeted increases in participation by all stakeholders in economic and public life.
  4. The activity achieved targeted increases in civic participation by social groups who had a low level of participation.
  3. The activity led to measurable increases in civic participation by at least one group who had a low level of participation.
  2. Planned procedures led to participation in the activity by traditional non-participants.
  1. The activity incorporated a system of public accountability.
- IV. Has the activity improved the quality of life within the local environment?
5. The activity both stopped an environmentally damaging activity as well as creating positive social and environmental improvements of considerable and lasting impact on the quality of the environment of the whole community.
  4. The activity stopped an environmentally damaging activity, resulting in a considerable and lasting impact on the quality of the environment of the whole community.
  3. The activity created social and environmental improvements of benefit to the whole community.
  2. The activity created social and environmental improvements of benefit to the whole community for a limited period of time.
  1. The activity was carried out in such a way which enhanced the local environment.
- V. Has the activity promoted biodiversity?
5. The activity led to measurable increases in the diversity and richness of the habitats, species or genotypes in the area through contribution to the local biodiversity plan.
  4. The activity led to lasting conditions for the improvement of the diversity and richness of the habitats, species or genotypes in the area through contribution to the local biodiversity plan.
  3. The activity created lasting conditions for the protection of a habitat or species with international importance (international importance is defined within the biodiversity plan).
  2. The activity created lasting conditions for the protection of a habitat or species with local importance.
  1. The activity enhanced the biodiversity of the area.

## 9. The S-Word: Sustainability

Your project will have had some impact on your community, and hopefully will lead to a more sustainable environment. But in order to do this, it must be sustainable: your project must be well thought out for the future, with realistic projections of income to cover costs. What would happen if you moved away? What will happen when start up funding ends? Here, as a final thought, are some tips towards setting up a successful and sustainable (in both senses of the word) project.



### **Avoid the essential person syndrome**

No person should be indispensable. If possible, identify key skills which are provided by people, and see if more than one person can be trained in them (e.g. the treasurer). Try if possible to have a back-up in waiting, someone who would be prepared to take on another task if necessary. Identify places where appropriate training is available, even if people don't take it up yet.

### **Take a hard look constantly at your revenue costs, and see if you can pare them down again**

Too many projects have folded because they could not find funding to take them beyond the first grant. This is particularly important if you require outside funding for some of your revenue: it is exhausting and time-consuming (almost a job in itself) to submit funding applications constantly to an ever decreasing pool of funders. Look for areas where you can receive objects in-kind, e.g. office supplies. Do you have something you can offer in return, e.g. compost? Think seriously if a LETS scheme or similar would work for your project. Search hard for competitive insurance rates. Bring your committee together and have regular brainstorming sessions.

### **Keep a regular look at the finances**

Make sure someone, probably your treasurer, makes monthly analysis of the finances if your project involves a fair amount of money turnover. It is very easy to find yourself running up large deficits quite quickly.

### **Make regular financial projections for the future**

This is fairly easy to do with a computer spreadsheet. Hopefully someone within your committee can offer this help, but if not, contact your local LEC, CVS, community council or other community groups to get help. Perhaps it could even be used as an assignment in the local school?

### **Spread the fundraising task**

Make sure that the same people don't always do it. Some organisations formally rotate the job so people don't 'burn out'. If possible, think of one or two big events which earn a lot of money, rather than a large number of small events which earn very little.

### **Keep yourself in the public eye**

Continue to use fundraising events and the media to keep your community in touch with the project. The community's support will continue to be necessary. Don't assume everyone knows about it.

### **Try to bring in new blood**

Sometimes easier said than done, but essential for the future. Try to interest others in becoming involved.

**Above all, try to keep the project fun!**

Keep a sense of humour. Celebrate any successes.

**And reflect with pride on what you've accomplished**

Both you and the community have gained by this project. You will have learned new skills which can be used in a variety of ways. You may even want to start another project! Your community will also have benefited, becoming more sustainable. Well done!

## Appendix i

### Contacts and Further Information

	Sustainable Development	Feasibility / business plans	Organisations	Fundraising	Marketing	Staff & premises	Evaluation	Other
<p><b>i 1 Friends of the Earth Scotland</b> 72 Newhaven Road, Edinburgh EH6 5QG Tel: 0131 554 9977; e-mail <a href="mailto:info@foe-scotland.org.uk">info@foe-scotland.org.uk</a> <a href="http://www.foe-scotland.org.uk">http://www.foe-scotland.org.uk</a> FoES has a wide range of publications on many issues, many on-line. In particular, <i>Towards a Sustainable Scotland</i> is a thought-provoking and readable book, now out of date due to the new political structure in Scotland, but well worth reading nonetheless.</p>	!							!
<p><b>i 2 CVS Council for Voluntary Service</b> Address: contact the National Association of CVSs: 0114 278 6636 or <a href="http://www.nacvs.org.uk">http://www.nacvs.org.uk</a> for local CVS contact details Your local CVS supports your community's voluntary groups with a range of services, though each CVS is unique.</p>		✓	✓	✓	✓	✓	✓	✓
<p><b>i 3 Local Enterprise Company (LEC)</b> Local Enterprise Companies, known as LECs, are part of either Scottish Enterprise (i4) or HIE (i5). They can provide a wealth of help to any group setting up a new project. This can include information sheets, face-to-face advice, grants, and even in some cases detailed help with some parts of the business. Many LECs have community departments which offer free or subsidised training on a range of issues. Contact the Scottish Executive or HIE for local LEC contact details or see the relevant pages on their websites: <a href="http://www.scottish-enterprise.com/about/lecs/">http://www.scottish-enterprise.com/about/lecs/</a> <a href="http://www.hie.co.uk/welcome.asp.LocID-hienetlec.htm">http://www.hie.co.uk/welcome.asp.LocID-hienetlec.htm</a> Good examples of information sheets available on the Web from LECs concerned with setting up a community project are: Community Advice Sheets <a href="http://www.race.co.uk/improve2a.htm">http://www.race.co.uk/improve2a.htm</a> Inverness and Nairn Toolkit <a href="http://www.communitytoolkit.org.uk">http://www.communitytoolkit.org.uk</a></p>		✓	✓	✓	✓	✓	✓	✓
<p><b>i 4 Scottish Enterprise</b> 5 Atlantic Quay, 150 Broomielaw, Glasgow G2 8LU Tel: 0845 607 8787; e-mail: <a href="mailto:network.help@scotent.co.uk">network.help@scotent.co.uk</a> <a href="http://www.scottish-enterprise.com">http://www.scottish-enterprise.com</a>; <a href="http://www.sbgateway.com">http://www.sbgateway.com</a> Scottish Enterprise has a remit to encourage business throughout much of Scotland (its counterpart is HIE). The Small Business Gateway is aimed at people starting up a new business.</p>		✓			✓	✓	✓	✓
<p><b>i 5 Highlands and Islands Enterprise (HIE)</b> Cowan House, Inverness Retail &amp; Business Park, Inverness IV2 7GF Tel: 01463 234171; e-mail: <a href="mailto:hie.general@hient.co.uk">hie.general@hient.co.uk</a> <a href="http://hie.co.uk">http://hie.co.uk</a> (main website); <a href="http://env.hie.co.uk/">http://env.hie.co.uk/</a> (Green Business Highland website); <a href="http://www.bis.uk.com">http://www.bis.uk.com</a> (Business Information Service website) HIE has a remit to encourage business throughout much of Scotland</p>	✓	✓			✓	✓	✓	✓

(its counterpart is Scottish Enterprise). The Business Information Service website has a number of useful advice notes. The Green Business Highland website has information on environmental policies, energy efficiency, waste minimisation, transport and business and natural heritage.

	Sustainable Development	Feasibility / business plans	Organisations	Fundraising	Marketing	Staff & premises	Evaluation	Other
<p><b>i 6</b> <b>Scottish Council for Voluntary Service (SCVO)</b>            15 Mansfield Place, Edinburgh EH3 6BB            Tel: 0131 556 3882 (ask for Information Department)            Email: enquiries@scvo.org.uk; <a href="http://www.scvo.org.uk">http://www.scvo.org.uk</a>            SCVO represents voluntary organisations in Scotland, with offices in Glasgow, Edinburgh and Inverness. They run training courses aimed at the voluntary sector and publish a number of booklets and reports.</p>	✓	!	!		✓		✓	
<p><b>i 7</b> <b>Community Business Scotland</b>            CBS Network, West Calder Workspace, Society Place, West Calder, West Lothian, EH55 8EA            Tel: 01506 871370; Email: <a href="mailto:info@cbs-network.org.uk">info@cbs-network.org.uk</a>  <a href="http://www.cbs-network.org.uk">http://www.cbs-network.org.uk</a>            Promotes and encourages community owned and controlled enterprises leading to social and economic benefits. Publishes useful information sheets and reports on sustainable development, social audit and community businesses, many available over the internet.</p>	✓	✓	✓	✓	✓	✓	✓	
<p><b>i 8</b> <b>Shell Better Britain Campaign</b>            King Edward House, 135a New Street, Birmingham, B2 4QJ            Tel: 0121 248 5900; e-mail: <a href="mailto:enquiries@sbbc.co.uk">enquiries@sbbc.co.uk</a>  <a href="http://www.sbbc.co.uk">http://www.sbbc.co.uk</a>            Supports community action for the environment through grants and information sheets. Useful information sheets for starting community organisations are available on their website.</p>	✓	✓	✓	✓	✓	✓	!	✓
<p><b>i 9</b> <b>Directory of Social Change</b>            20 Stephenson Way, London NW1 2DP            Tel: 020 7209 5151; e-mail: <a href="mailto:info@dsc.org.uk">info@dsc.org.uk</a>  <a href="http://www.dsc.org.uk">http://www.dsc.org.uk</a>            An independent organisation with a remit to help voluntary and community groups by providing information and training. Most events are based in England, but the bookshop has a number of useful and inexpensive books, and the website some useful links.</p>	✓	✓	✓	✓	✓	✓	✓	✓
<p><b>i10</b> <b>Scottish Executive</b>  <a href="http://www.scotland.gov.uk/publications">http://www.scotland.gov.uk/publications</a>            The Scottish government web site has vast amounts of information – so much that it may prove difficult to find relevant information! One part of the website is devoted to sustainable development (see i11)</p>	✓							✓

		Sustainable Development	Feasibility / business plans	Organisations	Fundraising	Marketing	Staff & premises	Evaluation	Other
<b>i11</b>	<b>Sustainable Scotland</b> The Scottish Executive, Victoria Quay, Edinburgh EH6 6QQ Tel: 0131 244 1750; e-mail: sustainable@scotland.gov.uk <a href="http://www.sustainable.scotland.gov.uk">http://www.sustainable.scotland.gov.uk</a> Website describes Scottish Executive initiatives, and has a number of links to other sustainable development initiatives in Scotland.	✓							
<b>i12</b>	<b>Sustainable Scotland Network (SSN)</b> Tel: Alan Speedie, secretary, 01786 443 335 <a href="http://www.sustainable.scotland.gov.uk/who/ssn.html">http://www.sustainable.scotland.gov.uk/who/ssn.html</a> Network made up of members of all local councils. Can provide local LA21 contacts, and other information at a local level. Publishes monthly e-newsletter.	✓							
<b>i13</b>	<b>Inland Revenue Business Support Team</b> Centre One Tax Office, Stewartfield Way, East Kilbride G79 1AA Tel: 01355 275492 <a href="http://www.inlandrevenue.gov.uk/bst/index.htm">http://www.inlandrevenue.gov.uk/bst/index.htm</a> The Business Support Team within the Inland Revenue offers free workshops and publications useful to employers, including a pack for new employers. Many of the publications and booklets are also available over the web.					✓			
<b>i14</b>	<b>Inland Revenue Charities</b> Meldrum House, 15 Drumsheugh Gardens, Edinburgh EH3 7UL Tel: 0131 777 4040 <a href="http://www.inlandrevenue.gov.uk/charities">http://www.inlandrevenue.gov.uk/charities</a> Essential to contact if you are setting up as a charity. Leaflet IR2004 details how to apply to become a charity in Scotland.		✓						
<b>i15</b>	<b>SENSCOT</b> Address: 54 Manor Place, Edinburgh EH3 7EH Tel: 0131 220 4104; e-mail: mail@senscot.net <a href="http://www.senscot.net">http://www.senscot.net</a> Assists social entrepreneurs and community leaders in Scotland by networking similar groups. It is starting a mentoring training program. Publishes an e-bulletin.	✓	✓					✓	
<b>i16</b>	<b>Glasgow Mentoring Network</b> Tel: 0141 204 0721; e-mail: glasgowmentornet@hotmail.com New project set up to provide mentoring to social economy enterprises in Glasgow.			✓					
<b>i17</b>	<b>Funderfinder</b> Computerised database which helps charitable trusts identify funders. Contact your CVS (i2) or LEC (i3) to see if they have it.			✓					

				Sustainable Development	Feasibility / business plans	Organisations	Fundraising	Marketing	Staff & premises	Evaluation	Other
<b>i18</b>	<b>Moray Funding Support</b> <a href="http://www.morayfundingsupport.org">http://www.morayfundingsupport.org</a> Website for local Moray community groups, but also useful to others. Also has helpful document 'Help for Community Groups'.						✓				
<b>i19</b>	<b>Ideas for fundraisers and volunteers</b> <a href="http://www.fund-raise.co.uk">http://www.fund-raise.co.uk</a> Useful website with lots of fundraising ideas.						✓				
<b>i20</b>	<b>Triodos Bank</b> Tel: 0500 008720 <a href="http://www.triodos.co.uk">http://www.triodos.co.uk</a> Lends money to environmental projects						✓				
<b>i21</b>	<b>Ecology Building Society</b> Tel: 0845 674 5566; <a href="mailto:info@ecology.co.uk">info@ecology.co.uk</a> Lends money to environmental projects						✓				
<b>i22</b>	<b>Co-operative Bank</b> Tel: 0845 721 3213; <a href="http://www.co-operativebank.co.uk">www.co-operativebank.co.uk</a> Bank with an ethical investment policy.						✓				
<b>i23</b>	<b>Renewable Energy Investment Club</b> Unit 1, Dyfi Eco Park, Machynlleth, Powys SY20 8AX Tel: 01654 705000 <a href="http://www.reic.co.uk">http://www.reic.co.uk</a> Set up to simplify process of and reduce cost of offering shares in a community renewable project. Also aims to facilitate community ownership of renewable energy initiatives and to promote social and ethical investment opportunities.						✓				
<b>i24</b>	<b>LETSlink Scotland</b> 17-19 Irvine Place, Stirling FK8 1BL Tel: 01786 464988; e-mail <a href="mailto:letslinkscotland@bigfoot.com">letslinkscotland@bigfoot.com</a> <a href="http://www.letslink.scotland.org.uk">http://www.letslink.scotland.org.uk</a> Contact LETSlink to see if there is a local LETS scheme near you.				✓						✓
<b>i25</b>	<b>Department of Trade and Industry</b> 1 Victoria St., London SW1H 0ET Tel: 0845 600 9006 <a href="http://www.dti.gov.uk">http://www.dti.gov.uk</a> UK Government department with a wide remit including employment, energy, environment and recycling. They produce a number of free booklets, including ones dealing with employment matters (you can order them from the website).							✓		✓	

											Sustainable Development	Feasibility / business plans	Organisations	Fundraising	Marketing	Staff & premises	Evaluation	Other	
<b>i26</b>	<b>ACAS (Advisory, conciliation and arbitration service)</b> Franborough House, 123-157 Bothwell Street, Glasgow G2 7JR <a href="http://www.acas.org.uk">http://www.acas.org.uk</a> Information on Working Time Regulations and other employment matters. Produces a range of publications, many available on-line. Can also do training.															✓			
<b>i27</b>	<b>British Trust for Conservation Volunteers (BTCV) Community Association</b> For local group, contact head office: Tel: 01491 821600; e-mail: <a href="mailto:information@btcv.org">information@btcv.org</a> or via web: <a href="http://www.btcv.org">http://www.btcv.org</a> Provides help and advice on projects and training. Members get reduced insurance on qualifying events.												✓			✓			✓
<b>i28</b>	<b>Office of the Data Protection Commissioner</b> Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF Tel: 01625 545 745; e-mail: <a href="mailto:mail@notification.demon.co.uk">mail@notification.demon.co.uk</a> <a href="http://www.dataprotection.gov.uk">http://www.dataprotection.gov.uk</a> Contact to obtain information concerning whether your organisation must register with the Data Protection Office												✓						
<b>i29</b>	<b>Customs &amp; Excise VAT Business Advice Centre</b> Address: check phone book or phone contact number for local office of HM Custom and Excise Tel: 0845 010 9000 <a href="http://www.www.hmce.gov.uk">http://www.www.hmce.gov.uk</a> Various leaflets, forms etc are available on paper or on-line. Publication M/L19 'What is VAT?' is a useful starting point.										✓	✓							
<b>i30</b>	<i>The Complete Guide to Creating and Managing New Projects for Charities and Voluntary Organisations</i> , by Alan Lawrie. (Directory of Social Change (i9), 2nd edition due July 2002; £12.50) General guide covering a wide range of topics.										✓	✓	✓	✓	✓	✓			
<b>i31</b>	<i>Voluntary but not Amateur: a Guide to the Law for Voluntary Organisations and Community groups</i> , by Duncan Forbes et al. (London Voluntary Service Council, 6th rev. ed., 2000; £24.95) Focusses on legal issues (employment, data protection etc), but also with a section on green issues.												✓			✓			✓

## Appendix ii Jargon, acronyms & technical terms

Biodiversity	Short for biological diversity. One definition is: ‘the variety of life forms, the ecological roles they perform, and the genetic diversity they contain.’ The more, the better! Each council in Scotland is producing a Biodiversity Plan.	
Capacity building	A much-overused phrase, especially when linked to community projects. Generally it is used to indicate a group which develops skills to become more self sufficient. Some funders will give grants to lead to capacity building within an organisation.	
Capital costs	Items which are fixed costs, and involve no further regular payments. Opposite of revenue costs. For example, a car is a capital cost, but its running costs are revenue costs.	
Charity	This is a legal definition. Moreover, a charity in Scotland is a different legal definition than a charity in England and Wales.	
CVS	Council for Voluntary Service. Not to be confused with CSV (Community Service Volunteers), a charity which encourages people to volunteer.	
Depreciation	An accounting term. The amount an item’s value diminishes year on year.	
Environmental Justice	As defined by FoES: ‘no less than a decent environment for all; no more than a fair share of the earth’s resources’.	
Environmental Space	The amount of a resource that may be consumed without damaging the capacity of the planet to support ourselves and other species.	
FoES	Friends of the Earth Scotland.	
LA21	Local Agenda 21. Sustainable development at a local level. See Chapter 1.1	
LEC	Local Enterprise Company.	
LETS	Local Exchange Trading System. Local systems where goods and services are bartered.	
NGO	Non-government Organisation. Organisations, often charities, which are not part of government. FoES is an NGO.	
Not for profit organisations	These may be charities, but need not be. Many have large incomes and turnover. All excess income is used within the organisation and not distributed to shareholders.	
PoE	<i>Protecting our Environment</i> . See inside front cover.	
Revenue costs	Expenses which must be paid on a regular basis, such as rent, wages, fuel etc.	
RFF	<i>Resources for the Future</i> . See inside front cover.	
RtB	<i>Redressing the Balance</i> . Series title for these handbooks.	
Rurality	Quality of and aspects of country life; e.g. the problems of rurality.	
SCVO	Scottish Council for Voluntary Organisations.	
Social audit	A way to measure and report the social, economic and environmental costs and benefits of an organisation. See Chapter 8.2	

Social enterprise	A term to describe a business which concerns itself with social issues as well as profit.
Social inclusion	Open to all members of society
Stakeholder	Anyone with an interest – financial, social or otherwise – in a policy, event, project etc.
Sustainable development	Meeting the needs of the present without compromising the ability of future generations to meet their own needs. FoES links this with environmental justice.
SMART model	Specific, Measurable, Achievable, Relevant and Timebound. Measurable objectives. For example, a SMART objective is ‘to have 25 households in Anytown recycling plastic’, rather than ‘to increase plastic recycling in Anytown’.
SWOT	Strengths, Weaknesses, Opportunities, Threats. A method for assessing a project, organisation or community. Works best as a brainstorming session with people who are involved, as people think of examples of strengths, weaknesses, opportunities and threats.
Third Sector / Third Force	Term used for not-for-profit businesses. SCVO uses the term Third Force.
Umbrella organisation	An organisation which represents and supports similar organisations, though the degree to which it represents its members varies. For example, Scottish LINK is an umbrella organisation of various Scottish environmental groups.



## Appendix III Sustainable Development Criteria

Any development within a community will have an impact on sustainable development. Ideally your project will lead to improvements. It is important to have some way to gauge this effect. One tool is looking at indicators of sustainability. An indicator is simply a signal; for example, running a temperature is an indicator of poor health.



A number of organisations have looked at ways to identify community sustainability indicators. Choosing good indicators provide methods to measure whether a community is moving towards (or away) from sustainability. Some of these measures are described more fully in RtB handbook 2, *Community Sustainability Audits*.



When planning a project, it is useful to obtain a snapshot, which indicates where the community is at the moment, and what effects the project might have. Checklists are one method often employed. Friends of the Earth Scotland has published one set of checklists in its booklet *Criteria for Sustainable Development* in its publication *Resources for the Future*. It is summarised here for those without access to this publication.

Many of the questions should be asked at all stages in the lifecycle of the materials used in the project. For example, you could ask what materials come in, what are they made of, and where do they come from? You could also ask what goes out, as product, by-product, waste product, residues or emissions.

You might find it useful to photocopy these pages, and pass them around to people in your group or community. Remember that these can be used to assess other developments in your community as well. You may also find it useful to return to these criteria in the course of the project or development, as one way to see progress or lack of it. Where were expectations exceeded and where did they fail?

### Arnstein's 'Ladder of Participation'

Question P3 refers to Arnstein's 'Ladder of Participation'. This is summarised below for those unfamiliar with the model.

#### Citizen Control

People have real power to make decisions and be accountable for them without interference or resource restriction by outsiders.

#### Consultation

Decision makers invite and collect citizens' opinions, but the decision makers have no responsibility to take these views into account.

#### Delegated Power

People are given power to initiate and manage decision over certain limited functions.

#### Informing

The lowest rung of tokenistic participation. Although people have information about rights and option, they have no control over the decision making.

#### Partnership

There is some genuine possibility for influencing decisions through negotiation and shared responsibility. However, power to participate can be constrained by access to information and resources or other factors.

#### Therapy

The attitudes of people are regarded as pathological whenever they differ from the interest of power decision makers.

#### Placation

Some people are involved in decision-making structures, but they have no accountability to other citizens, nor any power to challenge any decisions.

#### Manipulation

People are incorporated to give credibility to the interests of decision makers, they have no way of influencing decisions.

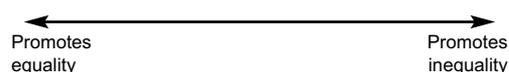
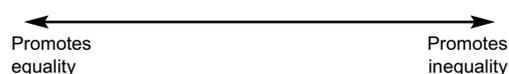
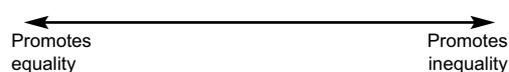
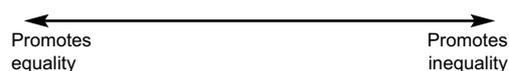
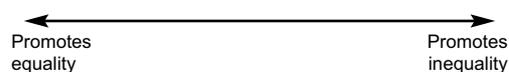
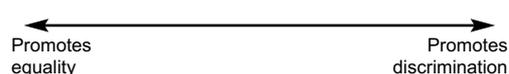
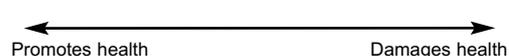
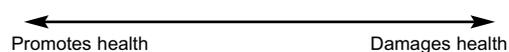
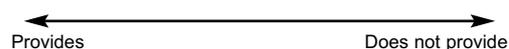
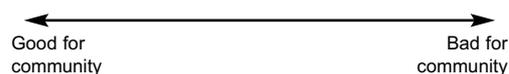
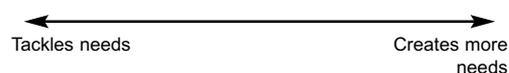
- Citizen control
- Delegated power
- Partnership
- Placation
- Consultation
- informing
- Therapy
- Manipulation



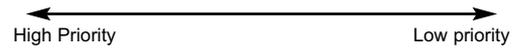
Consider your project, or indeed any new development in your community. Look at it from three perspectives: how it affects the quality of life for people in the community, for economic development of the community, and for the local environment. In each case, a line represents a spectrum from one extreme to the other. Place an X where you think best represents the effect it might have. If you think it will have no effect, put the X in the middle. If you don't know, leave the line blank.

### I. Looking at the quality of life - for people in the community

1. Overall, to what extent will the project tackle the social needs of the community?
2. Will your project make a product or provide a service? Will this product/service be of use to the community or part of the community?
3. Will the project provide good quality training and education?
4. Will the project provide health in the community?
5. Will there be an impact on the health and safety of those who work in the project?
6. Will the project actively challenge discrimination or promote equal opportunities? How will it do this? (Remember that it may do this inadvertently)
7. Will the project lead to more equal treatment of men and women?
8. Will the project promote equal rights between people of different ages? Is it appropriate to involve people of all ages? How will it involve children, young people, people with young children, working age people, people nearing retirement, older people?
9. Will the project challenge discrimination against people from minority ethnic communities? How will it ensure that it doesn't discriminate in providing services or products, or in its employment practice?
10. Will the project encourage equal opportunities for gay men and lesbian women?
11. What effect will the project have on people with disabilities in the community? Will it ensure that people with different kinds of disabilities have equal access to goods, service and employment? How will it do this?
12. Can people with learning disabilities plan a role in the project? Can employment conditions and service delivery be arranged so that people are not discriminated against?
13. Think about who else might be affected in the community – the neighbours, local traders, etc. Can you predict any unwanted effects? Will it risk causing injustice to others?
14. Will there be a different impact on men and women, old and young, rich and poor, people with different skills or with different backgrounds?



15. Is the development a high priority for meeting the social needs of the community? What alternative is there which would meet social needs in the community?

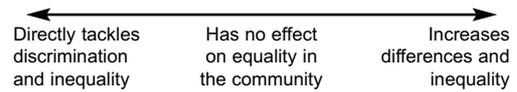


16. Any other social criteria? (Specify)

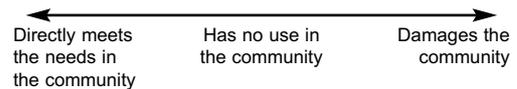


**SUMMARY: Social Development**

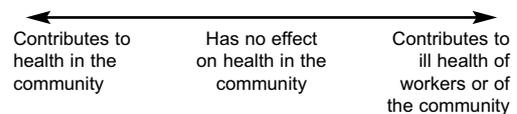
S1 Equality and Discrimination



S2 Use of the product/service in the community



S3 Contribution to the health of the community



**II. Looking at the quality of life – at work**

17. Does the project create jobs? Is it likely to lead to other job losses? How many will be in construction work, in the ongoing running of the development, in any secondary businesses which will be needed?



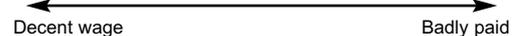
18. What will the quality of the jobs be like?



19. What will the working conditions be like?



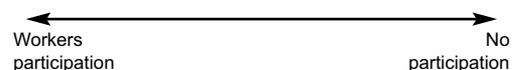
20. Will the jobs provide decent wages?



21. Will the terms of employment be beneficial to both the worker and the project?



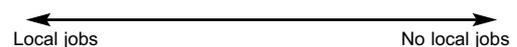
22. Will there be workers' input into terms and conditions? Will a trade union be recognised? Will there be a works' council or staff organisation, and how much independence will it have?



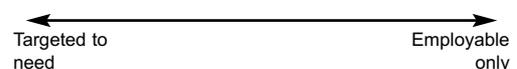
23. How will work conditions be monitored and maintained? Will there be mechanisms to make sure that conditions do not deteriorate?



24. Will any jobs go to local people? Will local people be able to apply for them? Will the jobs created meet the skills base of the local community?



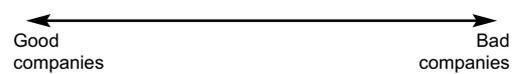
25. Will jobs go to people with most need of employment, whether from the community or not? Will there be any positive action to target long term unemployed, or groups with high unemployment? Or will it employ those who are likely to get employment anyway?



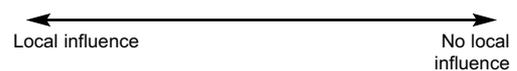
26. If people travel in to work how will they do it? What effect will this have on the community? Will new roads have to be built? Will new public transport be provided? Will the community benefit from public transport? What will be the traffic levels in the community?



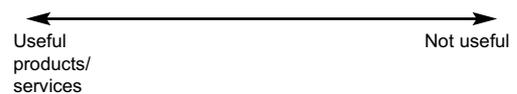
27. What kind of companies or projects will be involved? Can you be sure that they have (or you will have) a good reputation for employment practices, openness and impact on the environment? Will they be good neighbours?



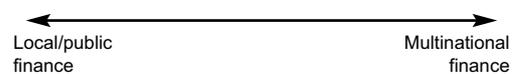
28. What leverage will the local community have on what kind of industry moves in?



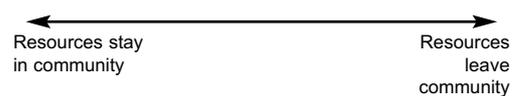
29. What goods and services will be produced? Are these needed by the community? Do they contribute to the sustainability of another community?



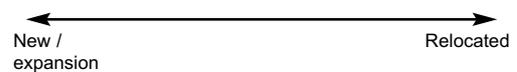
30. Where will the money come from? Is it coming in from outside companies such as multinationals and banks? Is it financed locally, from public funds or private sources? (Remember the source of the finance usually controls what happens to it).



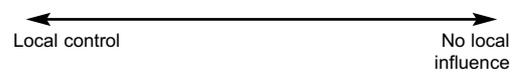
31. Where will the money go? How much will stay in the community as wages or local investment? How much will leave the community as someone else's profit?



32. Is it a new company or project, or expansion or a relocation? Does this development causes job losses elsewhere?



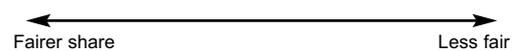
33. Will the decision making of the companies be remote from the local community? Or will the community be able to have some control over decisions?



34. To what extent will the development stimulate worthwhile work in the non-formal economy, such as autonomous and voluntary work?



35. Will the project contribute to a fairer distribution of unpaid work, e.g. through wider access to volunteering?

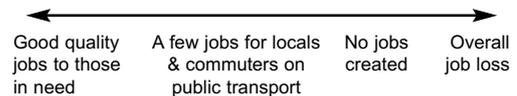


36. Any other work criteria (specify)?

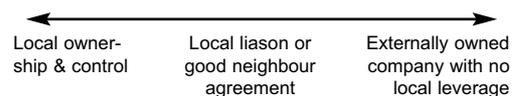


**SUMMARY: Work Development**

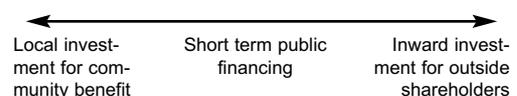
W1 Job creation or loss



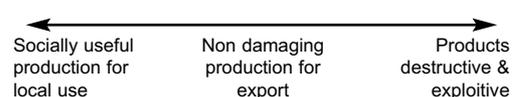
W2 Local relationship



W3 Investment

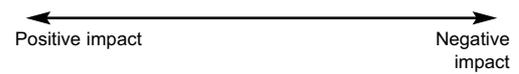


W4 Products

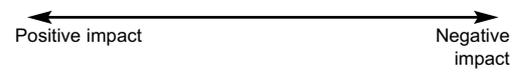


### III. Quality of life – in your environment

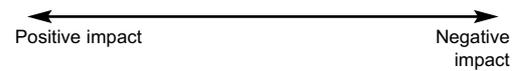
37. What will be the impact on the air, inside and out? What gasses are used or emitted? Is anything used which gives off a smell, or might turn into a gas (i.e. volatile substances)? Does anything produce smoke, particles or dust?



38. What is the effect on water? Will the project use water? What happens to it? Is it used up in the process? Is it discharged, and if so, to where and in what quantity? Will the water be polluted when it is discharged? Will it have changed temperature? Remember to consider water needed for cleansing and sewage disposal as well as any processes directly involved in production. What effect will it have on waterways?



39. What will the effect of the project be on the land and water courses? Think of the different physical features which might be affected, locally or further afield, including the soil, rock and geological and geographical features, rivers, lochs and coastlines, and the climate.



40. What is the effect on plants and animals, on biodiversity, the numbers and diversity of species and habitats locally, especially rare or fragile ecosystems?



41. What visual impact will the development have? What effect on amenity and landscape?



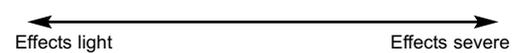
42. What other forms of pollution and nuisance might be caused, such as noise, vibration, light heat, radiation?



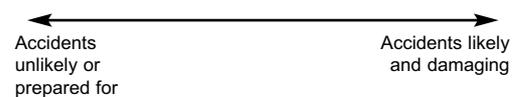
43. What impact might there be on the built environment, either enhancement or physical deterioration, loss of material, cultural and aesthetic value?



44. How severe will the effects be? In what ways might the effects be immediate, or accumulate over a period of time? Will they be permanent or temporary; short, medium or long term?



45. What might potentially be the effect of something going wrong? What is the risk of an accident happening and what would be the effect if it did? Will accident prevention and clean-up arrangements be adequate and available to the public?

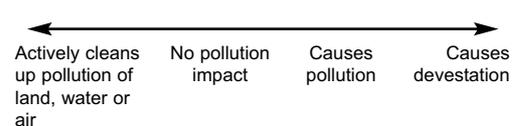


46. Other environmental criteria (specify)

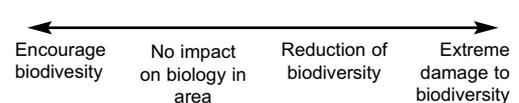


#### SUMMARY: Environmental development

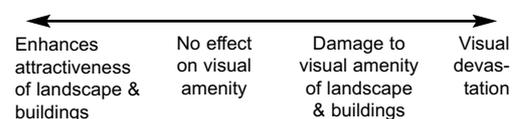
E1 Pollution



E2 Biodiversity



E3 Visual impact

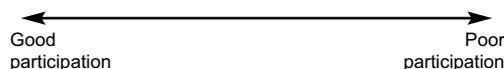


### IV. Promoting Participation

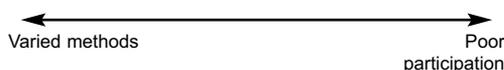
47. Have people in the community been able to participate in the planning process?



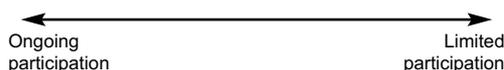
48. Have other stakeholders been able to participate? Think of workers, users of the service or product, suppliers, financiers, regional interests.



49. Have the methods of participation been varied?



50. Will the community participate on an ongoing basis? How?



51. How will the project ensure that all groups have an opportunity for participation in a way which is appropriate? In particular, what will actively be done to involve those who find it most difficult to participate? Think of all the groups whose interests should be represented: men and women; minority ethnic groups; travellers; working people; unemployed people; older people; younger people; children; disabled people; people with learning disabilities.



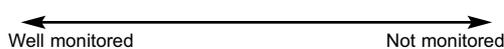
52. Is there a potential for community control, community ownership or worker control?



53. How will information be fed back to the local community? Will it be in an accessible format?



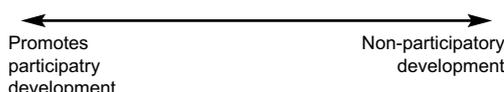
54. How will the participation be monitored? How can a high level of involvement be maintained? Who will be responsible for this participation?



55. Will participation be through representatives? How accountable will they be to those they are representing? What responsibility will they have? Will they have the necessary training?

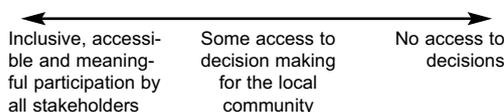


56. Other participatory development (specify)

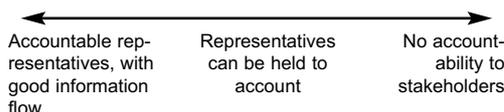


### SUMMARY: Participatory development

P1 Access to decision making

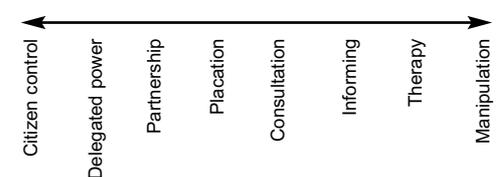


P2 Accountability



P3 'Arnstein's ladder of participation'

(See p. 49 of the handbook or RFF for further explanations)



### V. A fair share of resources

57. Make a list of all the new goods which are likely to be used by the new project. What are they made from? Could they be substituted for products which use fewer resources, more renewable resources or recycled resources? Can they be used more efficiently?

58. Where do the materials come from? How do they get here? Could they be obtained from a more local source?

59. Will procedures be in place to encourage resource efficient purchasing?

60. Will procedures be in place to avoid waste, or to convert waste into a new resource?

61. Can any waste be recycled internally or locally?

62. If the development involves new building, what consideration has gone into minimising the use of raw materials in its construction? How durable will it be? Will the construction materials be reusable at the end of its life?

63. Will the building be usable for many functions? Will it be possible to use the building efficiently, or to use it for various things without alteration?

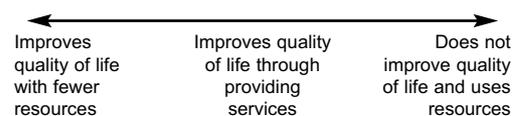
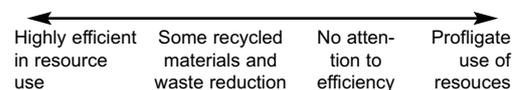
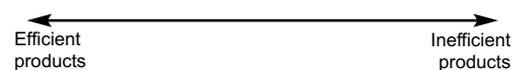
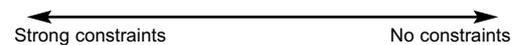
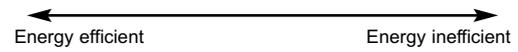
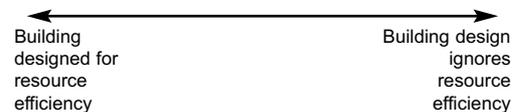
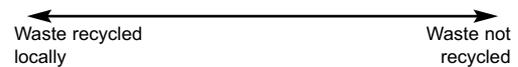
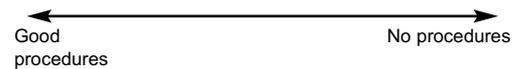
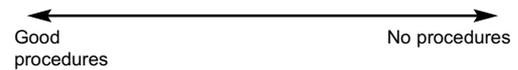
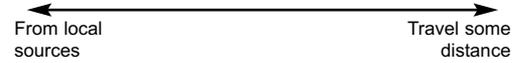
64. Will the building be energy efficient?

65. What potential is there for the project to use renewable energy?

66. What restraints can be put on increasing resource use?

67. How can products last longer? Be repaired easily? Become unnecessary?

68. Other resource criteria (specify)



### SUMMARY: Resources

R1 Use of resources

R2 Quality of life and resource use

# Setting up a Community Sustainability Project



This handbook is part of the series *Redressing the Balance: working towards environmental justice in Scotland*. Each handbook in the series is designed to aid people working towards environmental justice within their own communities with a range of practical, detailed advice,

together with pointers to other books, web sites and organisations.

Starting a community project is often considered too difficult for 'ordinary' people. Setting up a Community Sustainability Project shows that it is possible to do so. It describes in detail all the stages in getting a project going, including initial feasibility studies, business plans, organisations, marketing, fundraising and evaluation. The handbook places special emphasis on sustainable development criteria and evaluation.



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