

Fact Sheet

Funding, support and advice for people involved in food production and community food activity in the Highlands and Islands



About the Network

Highlands and Islands Local Food Network (HILFN) supports local food production. In particular it works to link consumers to local food producers, and to encourage the development of community supported agriculture enterprises.

The Network provides business management advice, food growing advice, training courses for farmers, crofters and growers, a website with almost 100 producers and a range of retailers and caterers.

If you are a local producer or simply interested in local produce, please get in contact: Georgia Macleod, Reay House, George St, Cromarty, IV11 8YJ, Tel 01381 600525, email info@hilocalfood.net

Check out the website to keep up to date with the Network www.hilocalfood.net

Why do I need money

The first step is to establish why you are looking for funding. The easiest way to do this is to write out a project or **business plan** comprising the following elements:-

- Background
- Requirements
- Projected expenditure – broken down into categories as necessary and giving **realistic costs** (based on existing examples if possible).

Putting together a business plan will give you the opportunity to clearly define what stages you need to go through to develop your business, and to check that you have properly accounted for all your costs, have properly researched the market for your product, developed a marketing strategy, and allowed a realistic timescale for the development of your business.

Items that you should have in your business plan include:

- Capital costs - buildings, equipment etc
- Training requirements – which areas of your business do you, or your staff, need extra skills in, and an estimate of annual costs.
- Revenue costs i.e. salaried posts - including someone to make the project happen, ongoing labour costs.
- Marketing - who are you going to sell to and how? Does this incur a cost?

- Retailing costs - including processing and packaging.

The business gateway website (www.businessgateway.htm) gives useful advice on putting together a business plan that includes a proforma that could be adapted to your own business.

Before you go any further you should ask yourself: *What do I need?* and, *What will I achieve?*

Doing your homework

Finding funding

There is lots of funding out there and there is plenty of support to link you up with funders. However funding sources and priorities change regularly. To find out what is available now, check the list of funders and their websites on page 4 and call up the support agencies below for up to date advice. Let people know what you want to do and the assistance you are looking for.

What will funders fund?

Most funders are interested in funding the outcomes of a project not the project itself. Once you have worked out what your outcomes are, you can measure your outcomes by using indicators. Indicators are elements of your work that can be measured such as how much fresh produce has been harvested or how many people have benefited from your work.

Match your outcomes to the right funder

To find a match, you will have to check the funders' priorities, deadlines for applications and requirements such as a constitution or treasurer bank account. All funders differ, don't be put off if the first funders you look at don't fit or ask for requirements you don't have, others might match your work well.

Who can I ask for help?

Highlands and Islands Local Food Network

We can offer advice on developing individual, group or community enterprises, including:

- Local growing and production
- Practical examples of businesses that have been successful.
- Getting together with other businesses to share costs, and increase impact
- Local marketing
- Putting together a business plan
- Training
- On site visits via HIE, if you become a member

HILFN employs several specialist advisors who can work alongside you to develop your business, and also identify or provide training courses that focus on individual subjects that are useful in developing a food business which grows, processes or trades local produce.

To find out more about the benefits of membership visit the website www.hilocalfood.net and join up!

Rural Direct

A new service to help rural communities in Scotland apply for a range of funding programmes aimed at tackling climate change, reducing waste and improving environmental management. Rural Direct is operated by the Crofters' Commission and the Scottish Council for Voluntary Organisations. Call the hotline on 0845 838 8598. Calls will be charged at local rate. You can also email your query to ruraldirect@crofterscommission.org.uk or ruraldirect@scvo.org.uk.

Rural Community Gateway

Is an internet site full of useful information for rural communities. www.ruralgateway.org.uk

Your local Council of Voluntary Services

Your local CVS will provide advice on fundraising. To find out where your nearest CVS office is, contact Voluntary Action Highland (1 Connel Court, Ardconnel Street, Inverness, IV2 3DX Tel. 01463 701136).

Highlands and Islands Enterprise area offices

Highland and Islands Enterprise has a remit to support food and drink in the area. At the moment they have a priority to support larger businesses. Their minimum grant is £25K unless the business is in a fragile area. To find out the contact details for your area office (former local enterprise companies) call 01463 234171 or check out the website www.hie.co.uk. Smaller businesses should go to their local authority see below.

Your local authority

If you are a smaller business your local authority will be part of a new scheme starting April 2009 which puts you in touch with Business Gateway. Get in touch with your local authority and find out about the benefits. Local Authorities include: Highland, Argyll and Bute, Western Isles, Orkney, Shetland, Aberdeenshire and Aberdeen.

www.direct.gov.uk/en/D11/Directories/DevolvedAdministrations/DG_4003604

Highland Opportunity Limited

Support for businesses and community enterprises run by Highland Council.

www.highland-opportunity.com

The Scottish Government Rural Development Programme

Find your local area office www.scotland.gov.uk/srdp

The Soil Association

Supports sustainable, organic farming. Get in touch to find out more about training courses available and projects such as Food for Life which covers the Highland area.

www.soilassociationscotland.org or call 0131 666 2474

Community Land Unit

Based at Highlands and Islands Enterprise. Can give advice on acquiring, developing and managing local land. Call 01463 234171 or checkout the website www.hie.co.uk

Funds for Business Development

Rural Development Programme

There are 7 strands to this programme which was launched in Spring 2008: Crofting Counties Agricultural Grant Scheme, Food Processing, Marketing and Co-operation Grant Scheme, Forestry Commission Challenge Funds, The LEADER initiative, Less Favoured Area Support Scheme, Rural Development Contracts and Skills Development Scheme. To find out more visit the website or call up your local area office (contact details on website).

www.scotland.gov.uk/Topics/Rural/SRDP

Food processing, marketing and co-operation grant scheme

Those at the beginning of the food chain may be able to apply for a higher percentage of the total required. The fund can cover capital costs such as a van or project costs such as marketing studies. There are two options for applicants under this scheme. Either come forward to the National

Scheme which is administered by the Food Industry Division in Pentland House or for on farm/near farm projects applicants should apply under the Rural Priorities scheme which is administered by the Local Area Office Network. For this the following criteria are necessary: have an existing Farm Business Registration Number, do not have separate accounts for the farm and processing business and indicative turnover is less than £150,000 for the processing element.

www.scotland.gov.uk/Topics/Business-Industry/Food-Industry/granttimetable. You can call the team at Pentland House on 0131 244 4762 or e-mail pmgenquiries@scotland.gsi.gov.uk



Case study: Connage Highland Dairy

Connage is a family owned farm with 140 cows, carrots, potatoes and crops for feed on 600 acres with. Their journey started when the milk marketing board offered them a place on a fact finding trip to see organic dairy farms in Wales. The trip convinced them there was a commercial advantage to converting to organic production. The farm went into conversion and looked forward to receiving a 20-30% premium.

Unfortunately when they received certification there was a glut of organic milk on the market and the farm couldn't get the premium they had worked towards. Connage knew they had to add value to their milk to make the farm profitable. By getting in touch with Highlands and Islands Enterprise they find out that grants were available for marketing studies. They asked a number of consultants to tender for the marketing study and they choose the consultant with the most relevant experience. The marketing study looked at the on farm production of ice cream, cheese and yogurt. They decided their farm would be best suited to cheese production and jumped in the car to take themselves off on their own self funded fact finding trips.

Callum, one of the farm's partners, explains *"We decided that there was no point reinventing the wheel and we wanted to find out how other farmers made cheese. Sometimes it's easier to arrange the trips yourself, we found other dairies really easy to approach. We visited local dairies, travelled to the central belt and even as far as Somerset. We made sure that we looked at production on a variety of scales."*

Once the preferred scale and type of cheese production was decided upon, Connage applied for another grant this time from the Scottish Government which supports food processing. The grant covered some of the costs of a business plan, setup and marketing and made the dream a reality.

"We didn't take any of the steps lightly. We have had our fair share of difficult moments. We are good at asking lots of questions until we find out what we need to know."

Since 2006, Connage has been successfully selling award winning cheese to local and central belt wholesalers. The farmers are still in touch with Highland and Islands Enterprise to get the odd bit of grant help to cover relevant training and attending trade shows.

"We had a lot of consultants visit the farm to help us through this process. Some have been more helpful than others. Access the grant for the initial marketing study which helped us make the decision to go for cheese was by far the most important step we took."

The farm partners managed to make Connage a viable farm with a future by accessing grants and using their own initiative. To find about more about Connage Dairy Farm click on www.connage.co.uk

LEADER

There are 7 Leader areas in Highlands and Islands: Highland, Outer Hebrides, Shetland, Orkney Islands, Argyll and the Islands, Caringorms and Rural Aberdeenshire.

www.scotland.gov.uk/Topics/Rural/SRDP/LEADER

The Crofters' Commission

Funds for established or new build crofts. The Crofting Counties Agricultural Grants scheme is for crofters and small farmers. Maximum grant for individuals is £25,000 over a 2-year period, and for groups is £125,000 over a 2-year period. Get in touch to find out more about eligibility.

www.crofterscommission.org.uk

Your local authority

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www.direct.gov.uk/en/D11/Directories/DevolvedAdministrations/DG_4003604

Funds tailored for food related projects

Community Food and Health (Scotland) small grants scheme (£500 - £3,000)

Annual grants to improve access to, and take up of a healthy, varied and balanced diet.

www.communityfoodandhealth.org.uk

Sheila McKechnie Award (£5000 per year for three years)

For communities who work with food.

www.food.gov.uk/aboutus/how_we_work/damemckechnieaward

The Esmee Fairbairn Foundation

Offer a funding strand for work with food.

www.esmeefairbairn.org.uk

The Scottish Co-op Community Food Discount Card

Community food initiatives likely to spend at least £50 per week can apply for a Community Food Discount Card giving a 10% discount at Scottish Co-op food stores.

www.co-op.co.uk/scotland or contact Linda Rae, part of the membership team, on 0141 304 5400 or linda.rae@co-op.co.uk

The Scottish Co-op Corporate Membership

Community stores not run for private profit can apply for corporate membership of the Co-operative Group, allowing them to receive direct deliveries on the same terms as Co-op stores. Applications forms available on the Co-op website www.co-op.co.uk/scotland

Healthy Heart Fund

Support innovative projects that promote heart health and prevent or reduce the risks of heart disease.

www.heartresearch.org.uk/healthy_heart_grants.htm

Funds for Social Enterprises

Scotland unlimited social entrepreneurs fund (up to £5,000 initially)

Initially individuals can apply for up to £5000 to support their work. This can be followed on by a second level grant of up to £15,000.

www.scotlandunltd.com

Scottish Investment Fund

For established organisations which demonstrate a social benefit.

www.scotland.gov.uk/Topics/People/15300/funding/scottishinvestmentfund

Third Sector Enterprise Fund

Support for organisations that want to build their capacity to operate in an enterprising way.

www.scotland.gov.uk/Topics/People/15300/funding/enterprising-skills-fund

Funds for charitable or community-led work

Please note: you may need a constitution or charitable status to apply for these funds

Awards for All (£500 - £10,000)

www.awardsforall.org.uk

The Scottish Co-op Community Dividend Scheme

Makes awards of around £5,000 to community initiatives within its trading area.

www.co-op.co.uk/scotland or contact Linda Rae, part of the membership team, on 0141 304 5400 or linda.rae@co-op.co.uk

Voluntary Action Fund

Funds to support volunteering

www.voluntaryactionfund.org.uk/grant-schemes/vsgs or call 01383 620 780

The Climate Challenge Fund

Funds to reduce carbon emissions

www.itsourfuture.co.uk/climate_challenge_fund/

Lloyds TSB Foundation

Funds for communities

www.fundingthefuture.org.uk

Scottish Community Foundation (up to £5,000)

This body gives grants to a broad cross-section of constituted groups involved in social welfare and community development activities. www.scottishcommunityfoundation.com/page8613.cfm.

B&Q Better Neighbourhood grants (£50-£500 worth of goods)

Apply to your local store for materials to improve your project.

www.diy.com

O2 it's your community

Awards of up to £1,000 are available to local groups and individuals. www.itsyourcommunity.co.uk

Waste Recycling Environmental Limited (WREN)

Small grants might include funds for village halls, community centres or play areas.

www.wren.org.uk/how-to-apply/small-grants

Tesco Charity Trust - Community Awards

The Trust provides one off donations of between £1,000 and £4,000. Tesco also gives a 20% top-up to monies raised by Tesco employees for charity.

www.tescocorporate.com/charitiesandfundraising.htm

Action Earth: Small Environmental Grants

Small grants of between £50 and £250 for environmental projects.

www.actionearth.org.uk/contact.php

The Princes Trust

Funds to help 14-30 year olds

www.princes-trust.org.uk

Locally based support, advice and small grants

Make links with the local structures in your local area to develop relationships and find out about local support available to you.

Local Authority (your Council)

Get in touch for advice for voluntary groups and businesses. Local Authorities include: Highland, Argyll and Bute, Western Isles, Orkney, Shetland, Aberdeenshire and Aberdeen.

www.direct.gov.uk/en/D11/Directories/DevolvedAdministrations/DG_4003604.

Local Community Planning Partnership

Administer the Fairer Scotland Fund for voluntary organisations.

www.improvementservice.org.uk/community-planning/useful-links/commplan/

Local Development Trusts

There may be one in your area, check the website.

www.dtascot.org.uk/

Local Community Councils

There may be one in your area, check the website.

http://en.wikipedia.org/wiki/Community_council

Other networks worth getting in touch with....

Scottish Allotments and Gardens Society – www.sags.org.uk

Federation of City Farms and Community Gardens – www.farmgarden.org.uk

National Society of Allotment and Leisure Gardeners – www.nsalg.demon.co.uk

Community Food and Health Scotland - www.communityfoodandhealth.org.uk

Now I've got funding

Make sure that you are doing the work that the funders are giving you money for. It may seem obvious before you have the money – but it is easy to get side-tracked, so proper project management is crucial – or they will refuse to fund you, or worse, ask for their money back!

There are a number of things you will need to do in order to keep your funders happy:

- Keep the project within your original aims.
- Make sure that you keep an accurate financial record of the business, including copies of invoices, receipts etc.
- Keep a clear note of your business actions and outcomes.
- Make sure that you have enough information to be able to give an evaluation of your business or project development – what did or didn't work and why, what might be changed in order to develop your business further (be honest, if it didn't work, say so!).

- Always credit your funders in any publicity or promotion. It is all too easy to forget this, and most funders are very sensitive about getting proper recognition for their support.

Highland and Islands Local Food Network is supported by Highlands and Islands Enterprise

