

GUIDELINES FOR THE OPERATION OF THE ARMISTEAD WIND FARM COMMUNITY FUND

RE/NW/693/COM-1

Purpose of the Fund

A fund to be known as the Armistead Wind Farm Community Fund has been established to provide financial assistance to community groups, voluntary organisations and the local community in the area of the Armistead Wind Farm.

The geographical boundaries for fund eligibility should be restricted to the six parishes of Killington, Lupton, Mansergh, New Hutton, Old Hutton and Preston Patrick with priority given to groups nearest to the site. Projects outside of these areas may be eligible if they are within 10km of the wind farm and it can be shown that they benefit residents of the six parishes

Administration of the Fund

The fund will be administered by the Banks Community Fund in consultation with the Community Fund Committee (hereinafter referred to as the "CFC"). The CFC will be made up of eight voting members, as follows:

- One County Councillor from the Upper Kent ED
- One District Councillor from the Kendal Rural ED
- A nominated representative from each of the six parishes of Killington, Lupton, Mansergh, New Hutton, Old Hutton and Preston Patrick.

The Chairman and Vice-Chairman positions will be held by the elected representatives of South Lakeland District Council and Cumbria County Council. In the case of a tied vote, the Chair will have the casting vote.

Representatives from the Banks Community Fund and Armistead Wind Farm Ltd may also attend meetings at any time as non-voting members.

The final decision on individual applications will lie with the Banks Community Fund who will be advised by the CFC. The Banks Community Fund will normally expect to follow the recommendations of the CFC.

Amount of Fund

The fund will be credited with £12,300 per annum which equates to £1,000 per megawatt (MW) of installed capacity. The wind farm has an installed capacity of 12.3MW. Payments into the fund will be paid by Armistead Wind Farm Ltd. on an annual basis commencing from the date that all turbines have been fully commissioned, followed by annual contributions on or around the anniversary of the first payment. The annual payment will be subject to an RPI linked review every 5 years. Payments will continue for a period of 25 years or until the wind farm ceases electricity generation, whichever is sooner.

10 % Contribution

Successful applicants will normally be required to contribute 10% of the value of each grant to demonstrate the long term viability of their organisation and to cover the cost of administration of the fund by the Banks Community Fund. The 10% contribution is requested in the form of a cheque when a grant offer letter has been issued to successful applicants.

Matched Funding

Where appropriate, the Banks Community Fund will consider opportunities for securing matched funding and to direct grants through registered charities or to qualifying projects via the local charitable foundations to make grants more tax efficient and to increase the benefits available. (Any administration fees charged by the local charitable foundation will normally be paid by the Armistead Wind Farm Community Fund).

Who is Eligible?

Community groups and voluntary organisations operating within and benefiting people who live in the eligible area will be considered for grant assistance with particular emphasis being placed on the children, senior citizens and disabled within the community. Examples are:

- Parish Councils (non-statutory projects only)
- Schools and colleges (non-statutory projects only)
- Playgroups
- Youth clubs
- Sports clubs and facilities
- The Scout and Guide movement
- Senior citizens clubs and activities
- Village halls/community centres
- Residents' Associations (excluding general running costs)
- Local church groups (providing the funding is for equipment that is accessible to all members of the community)
- Environmental projects

Amount of Grant Assistance

The aim of the fund is to provide financial assistance to as many good causes as possible within the eligible areas. It is expected that the normal grant amount awarded will be between £1,000 and £3,000 although applications for higher amounts will be considered in special circumstances. Grants of less than £1,000 can be considered and will be subject to a simplified application process.

What Kind of Projects are Eligible for Grant Assistance?

Grants will normally be directed towards capital costs of purchase rather than running costs although in special circumstances some contribution may be available for associated revenue or project management fees. Feasibility assessments will not be eligible for funding. In addition the fund may be used to support training, apprenticeship and employment initiatives for local young people and businesses within the eligible area of the fund. It is important that the local people agree the priorities for funding in their area through their representatives at the CFC.

Application Procedure

All applications should be made on the appropriate form. Standard circular requests for assistance will not be considered. Applications will be assessed by the Banks Community Fund who will make recommendations to the CFC on qualifying projects.

Applicants may be invited to provide further information or make a presentation to the CFC in support of their bid if required. Applicants will be informed in writing of the decision in relation to each bid.

An example of a successful application process is detailed below:

- 1 Applicant submits Expression of Interest Form to the Banks Community Fund for initial review
- 2 If the project meets the eligibility criteria then the applicant is issued a full application pack (NB. If the grant applied for is less than £1000 then go straight to step 4)
- 3 Applicant submits full application and supporting documentation to Banks Community Fund for assessment.
- 4 Banks Community Fund prepares report and recommendation for consideration at next meeting of CFC
- 5 CFC approves application and amount to be awarded and Banks Community Fund sends grant offer letter and request for payment of 10% contribution (e.g. if a group receives a grant offer letter for £3,000 they will be asked to send a cheque for £300).
- 6 Applicant returns signed conditions and cheque to Banks Community Fund and arranges the capital purchase with the supplier/contractor.
- 7 Cheques will either be made payable to the supplier of the goods once the capital purchase has been confirmed, or made payable to the recipient group upon confirmation that the group has already paid the amount required to the supplier. The Banks Community Fund reserves the right to inspect the project prior to release of payment.
- 8 Where the grant forms a contribution towards the cost of a larger amount, the Banks Community Fund may issue a pledge certificate which sets aside an amount from the fund for a period of 12 months.

NB. Any applications rejected at Expression of Interest stage shall be reported at CFC meetings.

What Happens to Surplus Funds?

Any surplus funds not allocated by the time the wind farm is decommissioned will be applied by the Banks Community Fund to provide benefit to the local community in the eligible area.

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