**Shetland Islands Council Coastal Communities Fund**
**Scheme Guidelines – effective 01 April 2026**

## 1. Introduction

This grant aid scheme is administered by Shetland Islands Council and financed from net revenues generated by Scottish Crown Estate assets.

The grant scheme is designed to mobilise change and deliver positive outcomes for Shetland and its communities. The scheme seeks to support the community and economic development of Shetland by investing in infrastructure, community capacity building, and developing community assets and encouraging inclusive growth – that is, growth which combines improved wellbeing with greater equality, creates opportunities for all, and distributes the benefits of increased prosperity fairly.

The scheme also aims to encourage regeneration of Shetland's communities by supporting projects that safeguard sustainable economic growth and jobs, promote inclusion and contribute towards poverty reduction.

While community regeneration and development remain vital considerations, we must also consider how the funding can contribute to making our communities resilient in areas such as food supply, connectivity and energy, in the context of increased costs of living, and climate change.

Projects seeking funding must be a strong fit to the Shetland Partnership Plan 2018 – 2028 and the shared vision that:

*"Shetland is a place where everyone is able to thrive; living well in strong, resilient communities; and where people and communities are able to help plan and deliver solutions to future challenges"*

Applicants must demonstrate how their project will drive change for Shetland and deliver on one or more of the Partnership priorities, namely:

**Place** – "*Shetland is an attractive place to live, work, study & invest*"

**Participation** – "*People participate and influence decisions or services and use of resources*"

**People** – "*Individuals and families thrive and reach their full potential*"

**Money** – "*All households can afford to have a good standard of living*"

All applicants are expected to demonstrate the need and support for their proposed project. This could include carrying out community consultation, an options appraisal and/or writing a business case.

## 2. Who can apply?

Applications are only considered from Shetland based organisations with an open constitution or set of rules that clearly define the organisation's aims, objectives and procedures. The following types of organisations can apply for grant assistance towards eligible projects:

- Registered charities
- Community groups
- Voluntary organisations
- Social enterprises
- Collective interest / industry wide bodies

Applications will not be considered from:

- Individuals
- Informal groups
- Sole traders
- Services of Shetland Islands Council
- Organisations outwith Shetland
- Religious or political organisations
- Private businesses, unless part of a collective or industry-wide initiative

Applicants with an existing Coastal Communities Fund approval may submit an application for a further phase of their project (e.g. where a project is moving from a feasibility to implementation phase), prior to the end date of their existing project – however, any approval will only be confirmed following the end date of the existing project and will be subject to evidence of satisfactory progress.

No applicant may have more than one 'live' approval at any one time, and such phased approaches must represent separate and distinct projects in their own right. The Panel will have discretion on the suitability of any phased approach.

Applicants who are employers should support fair work practices including no inappropriate use of zero hour contracts or exploitative working patterns. As a minimum, employers must follow ACAS codes of practice relating to standards of fairness in the workplace.

## 3. Priorities for funding

Coastal Communities funds must deliver on the priorities of the Shetland Partnership Plan. Funding may be used to help with the following:

- Developing and regenerating Shetland communities including infrastructure and community assets
- Creating and safeguarding sustainable economic growth and jobs
- Providing rural communities with the means and opportunity to address issues of poverty, access and inclusion, disadvantage and inequality
- Contributing to the net zero agenda through carbon reduction and renewable energy
- Supporting communities to develop projects which promote and develop local resilience in areas such as food supply, connectivity and/or energy
- Supporting community capacity building and community development
- Supporting opportunities for skills development and learning experiences

- Adding value to Shetland's economy through collective efforts including supporting promotion of local produce and facilities, developing new products and external markets, and improving sustainability

Projects which intrinsically have the potential to bring the Council into disrepute or cause harm to the reputation of Shetland will not be considered.

**4. What can it fund?**
The scheme can consider both capital and revenue costs.

Funds from this scheme can be used to pay costs including:

- Buildings (this may include construction costs, upgrades/improvements and associated professional fees)
- Professional fees (e.g. consultancy costs)
- Consents, permissions
- Non recoverable VAT
- New equipment
- Salary costs
- Volunteer expenses

The Council will have sole discretion with regard to which costs are considered eligible for grant funding. Ineligible costs include, but are not limited to:

- Core running costs (eg rent, heating, lighting) and salaries for existing employed staff
- Continuation of ongoing revenue projects
- Recoverable VAT
- Purchase of land or buildings
- Projects which result in displacement of existing activity or may otherwise be to the detriment of existing project(s)/organisation(s) or businesses
- Political or religious activities
- Loan repayments, service charges arising on finance leases, hire purchase, and credit arrangements
- In-kind costs and contributions
- Services that are the responsibility of central or local government
- Project costs which have already been committed
- Onward distribution of funds
- Consumables
- Repair and maintenance costs for buildings, plant, equipment or any other items*
- Applications made for speculative projects
- Items that only benefit an individual i.e. prizes, gifts and awards
- Costs related to hosting/running events and festivals
- Any other costs deemed ineligible by the Council

* Repair and maintenance costs are deemed as either unplanned, reactive works or routine repairs or maintenance works required to maintain existing facilities and/or equipment.

The Council (acting reasonably) retains discretion to refuse any application for any reason.

**5. How much can you apply for?**
The Coastal Communities Fund can provide grants from £5,000 to £50,000.

The scheme can support **revenue** projects as follows:

Development costs
- Up to 90% eligible costs
- Grants between £5,000 and £25,000

Delivery costs
- Up to 75% eligible costs
- Up to 3 years funding (projects must be delivered within a maximum duration of three years)
- Grants between £10,000 and £50,000

Applicants may submit separate applications for development and delivery costs for a revenue project. The maximum the Coastal Communities Fund can cumulatively award a revenue project is £75,000.

The scheme can support **capital** projects as follows:

Feasibility grants
- Up to 90% eligible costs
- Grants between £5,000 and £10,000

Design grants
- Up to 90% of eligible costs
- Grants between £10,000 and £40,000

Capital grants
- Up to 75% of eligible costs
- Grants between £10,000 and £50,000
- It is expected that the duration of any funded period for a capital grant will not exceed three years

Applicants may submit separate applications for feasibility, design and capital costs for a capital project. The maximum the Coastal Communities Fund can cumulatively award a capital project is £100,000. Any individual project which will be in receipt of cumulative awards greater than £50,000 in a single financial year must be referred to the Development Committee for decision.

Applicants will be expected to demonstrate that possible avenues of external match funding have been investigated and confirm the status of any applications for match funding. Applicants are expected to contribute a minimum of 5% of their own funds to the project.

Applications that are a strong fit with the Shetland Partnership Plan and deliver on the plan's outcomes will be prioritised for funding. All applications are subject to the availability of funds.

Note that grant is paid in arrears following submission of a completed claim form with evidence of expenditure incurred and defrayed.

Notwithstanding, and without prejudice to, anything else in this Policy, the Council retains, at all times, a right to impose additional terms and conditions on any grant or prospective award of grant where it is deemed reasonably necessary in order to protect public money or for any other reason.

**6. UK Subsidy Control Act 2022**

The Subsidy Control Act 2022 came into force on 04 January 2023 and conferred a duty on all public authorities to ensure that any grant funding provided is consistent with the principles of subsidy control and follows requirements for transparency.

In general terms, a "subsidy" is: (1) any financial assistance given from public resources; (2) which confers an economic advantage to one or more enterprises; (3) benefitting them over other enterprises; and (4) which is capable of distorting competition. Under the Subsidy Control Act 2022 that potential impact on competition can be wholly within the UK.

The Coastal Communities Fund has been formally reported onto the UK Government's subsidy control database as a statutory subsidy scheme (subsidy control no. SC10817).

For further information on Subsidy Control, guidance on subsidies for beneficiaries can be found here.

**7. Application process**

In the first instance, applicants should contact officers to discuss their proposal or e-mail coastalcommunitiesfund@shetland.gov.uk. Potential projects must have a strong fit to the Shetland Partnership Plan and its outcomes. Potential projects deemed to have a weaker fit are likely to be turned down at this point.

If projects are deemed to be a fit to the scheme, an application form will be issued and the applicant invited to submit this to a subsequent panel for decision.

Applicants will be required to provide robust supporting evidence to support their applications. Documentation and evidence which will be required to support **all applications** are:

- Governance document
- Evidence of delegated authority to accept grant awards
- Protection of Vulnerable Groups policies and procedures
- Quotes or tenders for project costs
- Evidence of need and/or community support
- Confirmation of match funding
- 3 years annual accounts[1]
- Most recent bank statement

Examples of evidence which **may** be requested on a project-by-project basis are:

- Business Plan and/or Project Plan
- Job profile and person specification (revenue projects)
- Evidence of ownership of facility (capital projects)
- Confirmation of permissions and statutory consents (e.g. planning)

[1] Business Plan including financial projections may be required for applicants who have been trading for less than three years.

- Any other appropriate information as requested

**8. How will decisions on applications be made?**
Administration of the scheme will be co-ordinated by staff in the Development Services Directorate.

Project applications will be assessed by a Panel, chaired by the Executive Manager – Economic Development, and one additional officer from each Council directorate, nominated by the relevant Director.

The Panel will consider and determine all requests for funding. Any individual project which will be in receipt of cumulative awards greater than £50,000 in a single financial year must be referred to the Development Committee for decision.
Decisions made by the Panel will be considered final and no appeals will be considered.

**9. When should you apply?**
Dates of Panel meetings and application deadlines will be notified and displayed on the Coastal Communities Fund website. Applications must be received **at least six weeks** before a funding Panel meeting.

Project start dates should take account of Panel decision making timescales and no project should proceed prior to receiving a grant offer letter confirming the award of a grant.

Applicants can only have one Coastal Communities Fund grant approval at a time. Enquiries may be submitted at any time but applicants will not be invited to proceed to complete an application until their existing Coastal Communities funded project has been completed and the file closed.

**10. Service pledges**
In order to improve service delivery of the department's grant aid schemes we have the following service pledges:

- The department will provide **accurate information** about their grant aid schemes and application procedures;
- All grant application forms received will be acknowledged **within 5 working days**;
- All applicants will receive a decision on its completed application form: within 1 week of the funding Panel;
- All applicants who have had a grant application rejected will receive a written explanation of why it was unsuccessful.

If an applicant is dissatisfied with how their application has been handled during this process, the Council's complaints procedure should be followed: Shetland Islands Council Complaints Procedure

**11. Data Protection Act 2018 / Freedom of Information (Scotland) Act 2002**
The information provided by you is processed in accordance with the Data Protection Act 2018 to allow us to effectively manage the Council's Grant Aid Schemes. The Data Protection Act 2018 gives you the right to know how we will use your data. Further information about how we use your personal data is available from the Grants Unit or the Council's website at http://www.shetland.gov.uk/information-rights/DataProtection.asp.

Please note that your information, should you be successful, will be stored by the Council for 5 years plus current year before being destroyed. The information for unsuccessful applications will be stored for 1 year plus current year before being destroyed.

Please note the Freedom of Information (Scotland) Act 2002 gives any person the right to request certain information that we hold. The Council regularly releases information about grant awards and information regarding your application may be made available to the public. Any personal information provided will be processed in accordance with the Data Protection Act 2018.

**12. Protection of vulnerable groups requirements**

The Disclosure (Scotland) Act 2020 updated the Protection of Vulnerable Groups (PVG) scheme requirements which were originally set out in the Protection of Vulnerable Groups (Scotland) Act 2007 ("2007 Act"). These changes came into force on 1st April 2025. Under the updated 2007 Act, membership of the PVG Scheme is now mandatory for anyone carrying out a "regulated role" with children or protected adults in Scotland. This applies to both paid and voluntary roles. Individuals must be members of the scheme before carrying out such roles, and those already in regulated roles must obtain membership to remain in post.

It is the responsibility of applicant groups/organisations to ensure they are, and remain, compliant with any and all relevant legislation, whether primary or subordinate, concerning the protection of children, young persons and vulnerable adults (including, but not limited to, the 2007 Act and the Disclosure (Scotland) Act 2020). Where applicable, evidence of compliance with same will be required by the Council as a condition precedent to any offer of funding.

Templates for potentially relevant documents are available from the Community Planning & Development Service or here and must be approved and signed by committee members of your group. It is, however, your responsibility to ensure you are compliant, and maintain compliance with, all such legislation at all times. Accordingly, the above linked templates provided here for general information purposes only, are not intended to constitute legal or other professional advice and should not be relied on or treated as a substitute for specific advice relevant to particular circumstances.

Organisations must undertake a PVG Scheme Membership check when appointing staff, volunteers or helpers who are doing 'Regulated Roles' to make sure they are not barred from working with children/protected adults and as part of checking their suitability for the particular post.

In case of doubt , you may wish to seek further advice from either the Central Registered Body for Scotland (CRBS), on 01786 849777, or Disclosure Scotland on 0870 609 6006. Contact details for local support on this subject and more information are available on the Safer Shetland website www.safershetland.com.

Help and information about training courses is also available from the Community Development Team or from Voluntary Action Shetland, who locally can undertake free checks for volunteers.

**13. Monitoring and assessing impacts**

Recipients of Coastal Communities funding will be required to monitor delivery, measure the impact of their project and provide evidence of the improvement to agreed outcomes. This could include providing regular performance information, and/or project evaluations and case studies as appropriate.

The Council's Development Services Directorate will report regularly on the Coastal Communities Fund grant scheme to the community and partners.

Projects in receipt of Coastal Communities funding will be required to provide an end of project report and a further project evaluation one year after completion of project to demonstrate outcomes achieved.

Outcomes in this case are the things that result from the project. An outcome is not the provision of a service of the delivery of a project, but the tangible difference it makes to the lives of service users or the community through being provided or delivered. Improving outcomes means making things better for people living in Shetland. The Coastal Communities Fund shall be reviewed annually to ensure outcomes and progress is closely monitored and criteria updated where necessary.

**14. Contact details**

Officers in the Council's Development Department directorate are available to give advice and guidance on the completion of grant applications and supporting documents as required. If you need assistance you should contact staff at the earliest opportunity.

Development Department Directorate
c/o Solarhus, 3 North Ness Business Park
Lerwick, ZE1 0LZ
Tel: (01595) 744915 / 743828
coastalcommunitiesfund@shetland.gov.uk

[Updated: Oct 2026]