

## **September 2017 - Trust Directors highlight the need for Good Governance to keep future grant funding decisions local**

As SFCT prepares for its AGM and the election of new Directors in November the current Trust Board is highlighting the need for continued Good Governance as a top issue for the organisation.

The Board agreed that good management and governance of Stratherrick and Foyers Community Trust must be a priority for our Trust. If we are to retain the confidence of the energy companies that fund the Trust and the support of our members and the wider community, there is no alternative for directors but to invest time and effort in on-going good governance with clear grant procedures and openness in decision making.

Governance does not end there. Making sure cash already received from our funders is wisely safeguarded and being used for appropriate community purposes is also part of the exemplary governance the Trust must display.

Stratherrick and Foyers Community Trust is fortunate. The Trust receives direct payments from the windfarm and hydro companies. Other areas are not so fortunate, they have to go 'cap-in-hand' to green energy generators or other funders every time they want a grant. Here in Stratherrick and Foyers, SSE and other wind and hydro firms have the confidence in our Trust to manage our community benefit funds and make payments to us regularly. They *trust* us to manage the funds and keep proper financial records that they are free to inspect at any time. Stratherrick and Foyers Community Trust also needs to meet the legal requirements of a Limited Company, monitored by Companies House. Individual volunteer directors have a legal duty to look after the interests of the company as detailed in our Memorandum and Articles of Association.

Of equal importance is the way Stratherrick and Foyers Community Trust is perceived by local residents. All residents need to know what the Trust is and what it does. Our website and the Stratherrick and Foyers NEWS are tools to help keep everyone informed. Other than the need for residency in our area, there are no barriers to membership. The Trust needs members to stand for election as Directors – and keep the decisions on how our funds are used in the hands of local people. If the Trust cannot continue to show a wide local membership with volunteer directors willing to serve on the Board then we are risking the thing we value most – the local decision making on the use of the substantial funds which flow from the local windfarms and hydro schemes.

There have been recent improvements in the way grant applications are now dealt with by the Trust. There is now a Grant Application round every two months. Grant applications can now be considered in around eight weeks.

Good governance also needs to extend to the local community groups and individuals who apply to the Trust for grants. Our funders "*trust* the Trust" because we have agreed our grant procedures with them. The Board stressed that grant applications have to be submitted with all supporting information that backs up the application. Local groups must keep good financial records and supply annual accounts. The Trust's funders have the right to see all grant documents. If supporting documentation is not provided, agreed procedures will have been breached and community funds could be removed. The Directors **will not** risk the Trust's future by accepting incomplete grant applications or by funding ineligible projects.

Applications are collated by the Trust Administrator and will not be passed for assessment by Directors unless they are complete. Please ask for guidance if you are in any doubt.

In conclusion, if the Trust slips up on good governance the whole future of local grant decision making is at stake. **There is simply no alternative to getting the governance right every time!**