

RURAL COMMUNITIES CHALLENGE FUND

CAPITAL FUNDING CRITERIA 2025/26

To be eligible to apply to Aberdeenshire's Rural Communities Capital Challenge Fund (RCCF), the following criteria must be met:

1. Applicants

Applications can be made by any of the following organisations:

- Co-operatives
- Charities registered in Scotland
- Constituted community groups or not-for-profit groups
- Capital work on Council Owned Assets are not eligible for this grant, unless the organisation has a registered long-term lease exceeding 20 years with the Local Authority and does not expire until after 31st March 2031.

Individuals, unconstituted groups and political or campaigning groups are not eligible for funding. Religious groups will not be ordinarily eligible, unless broad community benefit can be demonstrated.

Applicants must provide the following as part of their application:

- Constitution or memorandum and articles of association
- A recent bank statement covering a period of 3 months
- Most recent 3 years' annual accounts
- Equalities Policy
- Other organisational policies where relevant (e.g. health & safety, child protection, environmental)
- Valid lease/title deeds (where there is a lease, please provide landlord's permission to carry out works)
- Planning Permission Approval letter where relevant (if planning permission is not required then evidence of this must be provided).
- Building Warrant Approval letter where relevant (if this is not required then evidence of this must be provided)
- Relevant Insurance policies certificates where relevant
- Evidence that match funding is in place
- Quotes for every cost item – see the LAG Procurement Guidance.

2. Location

The eligible area will be all communities within the boundaries of Aberdeenshire, *excluding the Cairngorms National Park.*

3. Priorities

Funding will be targeted towards activities or infrastructure which support one or more of the following priorities:

- 1) **An inclusive and connected Aberdeenshire – Enabling better connections within and across rural Aberdeenshire Communities**
- 2) **Accountable and Fair Aberdeenshire – Ensuring no one community is left behind or exposed to the devastating effects of inequality and poverty**
- 3) **Sustainability of Places and Planet – Achieving a just transition to net zero through reducing emissions and regenerating the local environment**

4. Timescale

Projects must be fully completed and draw down all RCCF grant funding by **28 February 2026**. As such, all applications must be fully costed (supported by quotes as per the LAG Procurement Guidance), have all appropriate permissions approved (e.g. planning permission, lease, building warrant, landowners permission) and a match funding package confirmed at the time of application. Do not assume that you do not need planning permission or a building warrant.

Planning permission is different from a building warrant. To carry out work legally, you usually need both. Informal planning queries can take up to 5 working days. Full planning permission may take within 2 months of receipt of a valid application. Formal replies for building warrants can take up to 10 working days.

Check the useful links at bottom of this notice, which will take you to the Aberdeenshire Council website, where you can see the estimated waiting times for approval and costs associated with Planning Permission and Building Warrants.

If Planning Permission and Building Warrants are not in place they must be **Approved by 8th September 2025**, evidence of approval must be provided. Applications without permission by **8th September** will not be put forward for the grant. This is to ensure that the project will be delivered by 28th February 2026.

5. Assessment Criteria

The following criteria will be considered when determining funding awards:

- 1) **Strategic Fit** – To what extent does the project align with the priorities of the Locality Plans and Community Action Plans?
- 2) **Cross-Cutting Themes** – Can the project demonstrate a neutral or positive contribution to the following themes?
 - a. Equalities, Inclusion and Diversity
 - b. Fairer Scotland Duty
 - c. Town Centre First Principle
 - d. Sustainability
 - e. Children and Young People's Rights and Wellbeing
- 3) **Legacy and Sustainability** – Will the project deliver a lasting legacy beyond its lifetime and be sustainable once grant funding has ended?
- 4) **Project Need and Demand** – Is there sufficient evidence that the project will meet an unmet demand?

- 5) **Need for Grant** – Is the grant requested the minimum amount required for the project to proceed and have other sources of match funding been adequately explored?
- 6) **Capacity to Deliver** – Does the delivery organisation have sufficient capacity (financial and people) to complete the project as set out and on time?
- 7) **One project per application** – Please keep projects separate if you intend to submit more than one application.

6. Costs

The following thresholds for grants will apply to challenge fund applications:

- Minimum grant - £10,000
- Maximum grant - £49,999
- A minimum contribution of 10% match funding is desirable but not absolutely essential.

All match funding secured from other sources for the project activity must be transparently declared in grant applications and any changes to this funding package notified to the Council. Match funding should be in 'cash', not 'in-kind'. The level of match funding provided will be taken into account in the evaluation of bids, with projects demonstrating greater leverage of match funding viewed favourably.

Only capital expenditure will be considered under this programme, with the exception of professional fees (maximum 10% of overall costs) associated with capital projects.

All costs must be:

- **Essential** – All project costs must be essential for the project to be successfully delivered
- **Additional** – All project costs must be additional to core organisational costs which would be incurred even if the project did not go ahead
- **Best Value** – Applicants must demonstrate that project costs are value for money and provide evidence to support this
- **Actual** – Costs will be paid out on the actual amount incurred by the organisation up to the maximum contractually agreed amount

The following costs are ineligible for support:

- Costs formally committed to or spent prior to the agreed project start date
- Revenue costs which are not part of a larger capital project
- Costs incurred or invoiced after the project end date
- Costs involved in winding up a company or organisation
- Bad debts, fines, financial penalties and expenses of litigation
- Payments not supported by invoices and/or documents proving expenditure

- Recoverable VAT – organisations with partial VAT exemption will be treated as able to recover VAT and arrangements must be made to cover this cost.
- Core organisation running costs
- Alcohol

7. Grant Claim Process

- A grant claim form is issued to the project sponsor. This includes information on project finances, progress, outputs and outcomes.
- The project sponsor completes the template and submits it to along with the required supporting documentation.
- Supporting documentation as a minimum must show evidence of spend through to bank statement for all project costs.
- Where costs have not been paid out, grant may be paid on a proforma invoice provided that this would not breach the retention limit. Bank statements showing payment of the proforma invoices claimed must be supplied before a further claim template will be issued.
- A grant retention limit of 10% of the total approved grant will be applied. This means that 10% of the total grant amount will be withheld until all conditions of grant have been met.
- Grant will be paid out at the agreed % intervention rate for all claims except the final claim. The final claim amount will be calculated at total eligible costs minus match funding. This calculation, or a change request, may result in an adjustment to the final grant amount due.

8. Change Process

- Project sponsors may submit a change request to amend project costs, match funding, timescales or activities. A change request template will be provided.
- The project sponsor completes the template and submits it to along with the required supporting documentation.
- For changes to project costs, supporting documentation as a minimum must show evidence of the minimum procurement process having been undertaken.
- For changes to match funding, supporting documentation as a minimum must show match funding letters/grant agreements from funding bodies.
- Change requests will be considered on a case-by-case basis to ensure that any proposed amendments comply with programme requirements and are in line with the originally approved application.
- If approved, a contract variation will be issued. If not approved, an explanation as to the reasons why will be provided.

9. Monitoring and Evaluation

The following outputs and outcomes will be monitored:

- Number of new facilities created
- Number of existing facilities enhanced
- Number of jobs created (in Full Time Equivalent @ 37 hours)
- Number of new products/services created
- Number of volunteer opportunities created
- Length of active travel routes enhanced or created
- Reduction in greenhouse gas emissions
- Increase in biodiversity
- Increase in revenue to sustain and grow the organisation

Any assets funded by the project grant must be maintained in good condition, adequately insured and used for the purposes set out in the grant agreement for a minimum of 5 years after the project end date.

Project sponsors will be required to provide regular progress reports towards agreed targets and a final report at the end of the project setting out what was achieved.

Closing date for applications is 17 August 2025.

Useful links

[Aberdeenshire Council - Apply for building warrant](#)

[Aberdeenshire Council - Apply for licence, permit or permission](#)

[Aberdeenshire Council - Listed Buildings](#)

[Aberdeenshire Council - Planning Permission](#)