



Falkirk Environment Trust

Annual Report

April 2002 to March 2003



Bats & the Millennium Link Project

(Photo © Falkirk Herald)



Scottish Charitable Number SC 28253
Entrust Enrolment Number 472053

Falkirk Environment Trust ANNUAL REPORT, April 2002 – March 2003

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Report of the Directors and Financial Statements for the Period
1st April 2002 to 31st March 2003



About the Trust

The Falkirk Environment Trust was established on the 6th of August 1998 and is a non profit distributing independent trust.

Its registered office is c/o Falkirk Council Development Services, Abbotsford House, David's Loan, Falkirk, FK2 7YZ.

It is a private company limited by guarantee and its company number is 188303.

The Trust is enrolled as an Environmental Body by the Landfill Tax regulator (enrolment number 472053), and it is recognised as a charity by the Inland Revenue (charity number SC 28253)..

The Trust exists to improve the environment of the Falkirk area, enhancing the quality of life for residents and visitors, based on the values and principles of sustainable development.

The Trust is a partnership of local and national agencies that pools its resources and expertise. It is governed by a board of seven Directors and one co-opted Director who are:

Board Details

	Date Appointed	Date Left
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Falkirk Council (2)

- Councillor John Connolly (Chair)
- Sheila Terry

Environmental organisations (3)

- Dave Gorman, Scottish Environmental Protection Agency, (co-opted)
- David Jamieson, British Trust for Conservation Volunteers Scotland
- Angus Smith, Scottish Wildlife Trust

Other (3)

- | | | |
|---|----------|----------|
| • Adrian Kitchen, Falkirk College of Further & Higher Education | 07/03/03 | |
| • Ian Carmichael, Falkirk College of Further & Higher Education | | 08/11/02 |
| • Stuart Harrower, BP Grangemouth | | |
| • Ed Marnie, Scottish Enterprise Forth Valley | | |

Officers:

- | | |
|---------------|--------------------------|
| • Chair: | Councillor John Connolly |
| • Vice Chair: | David Jamieson |
| • Secretary | Harry Forster |
| • Treasurer | to be appointed |

Advisors to Board:

- Katrina Marshall, Scottish Natural Heritage
- Robert Ritchie, Central Action
- Gordon Laird, Falkirk Council
- Angus Duncan, Central Scotland Forest Trust

Auditors: WDM Associates

Development Manager: Brenda Roddy



Directors' Report September 2003

This is the fifth Annual Report of the FET Directors covering the period April 2002 – March 2003.

This was a major period of development and progress as the Development Manager pursued the aims of the Development Plan. A major publicity drive to promote awareness of FET and encourage applications was initiated and the range of projects supported is illustrated by the examples in this report.

Major changes to the Landfill Tax Credit Scheme were, however, announced and this forced FET to review its options for future development, putting greater emphasis to the aim of diversifying the funding base. Having considered the options, the Board agreed to continue to pursue the aims set out in the Development Plan and it is encouraging that a commitment was obtained from several members and partners of FET to continue funding for the FET Development Manager post for a further two years.

During the period, FET, through the Development Manager, played a role in partnership with similar trusts in lobbying the Scottish Executive. This activity aimed to achieve recognition for the value of locally based trusts and influence policy on the future of the Landfill Tax Credit Scheme and the then imminent Aggregates Levy.

All of this activity was aimed at securing funds for local projects and helping FET to achieve its vision as outlined in the Development Plan:

VISION

“The Trust aims to become recognised as one of Scotland’s leading local authority area based environmental trusts, supporting a wide range of environmental and sustainable development projects. It will work closely with partners and local communities to facilitate projects and build consensus through the design and delivery of projects. The Trust will work to secure its long-term viability, acting as a source of match funding and using its resources to make a significant contribution to local environmental priorities.”

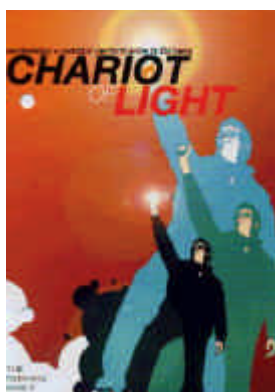
Main Grants Scheme

Over the last 12 months, Falkirk Environment Trust agreed to allocate £188,879 to 12 projects, helping to secure an additional £564,845 for the Falkirk area.

	Name	Award	Total value
	Main Grants		
1	Computer Recycling Project	£50,000	£180,000
2	Chariot of Light	£6,153	£68,633
3	Falkirk Wood	£17,858	£36,062
4	Millennium Hedge	£9,195	£18,162
5	Animal Bedding Market Research Project	£4,900	£4,900
6	Carron Landfill Site Phase 2	£9,847	£23,423
7	Firdale Woodland	£3,941	£5,741
8	White Goods Recycling Phase 3	£15,000	£50,000
9	3 Bs Bike, Skateboarding and BMX Park	£25,000	£185,000
10	Going Forth	£17,985	£101,501
11	FET Development Project	£27,000	£66,802
12	Green scene 2003	£2,000	£13,500
	Total	£188,879	£753,724

Grangemouth Enterprises Computer Recycling Project £50,000

This was an award for the pilot phase of a partnership initiative facilitated by Grangemouth Enterprises Ltd. The project uplifts discarded computer equipment, with higher spec machines being upgraded and redistributed to charities, individuals at risk of social exclusion, or resold. Older machines are dismantled and recycled/ reused wherever possible. The project incorporates both training and waste minimisation elements



The Working Group "Chariot of Light" £6,153

This project worked with about 60 people from diverse sources, such as drug rehabilitation programmes, schools and young offenders centres, running a series of arts workshops and environmental education programmes. These elements were brought together in an out door performance. The Working Group's first FET application represented part of a wider ranging fundraising campaign to a variety of sources.



**Falkirk Soroptimists
Millenium Hedge
£9,195**

The Falkirk branch of this women's group applied to FET for funds to cover the second stage of their planting schedule in November 2002.

The project involved planting native woodland and hedgerows adjacent to the Union Canal and the Falkirk Wheel over the period of a weekend. The group raised a significant proportion of the funds through community events and involved groups of boy scouts and community volunteers on the day.

**Falkirk Wood
Yellow Brick Road
£17,858**

The Falkirk Wood project takes waste timber, processing the material for resale in local markets. The initiative runs as a pilot project, establishing need and viability for the service as a waste minimisation study.

The organisation requested funds for an infrastructural increase i.e. second hand equipment, as a response to increased demand from year one of the project. In addition to this, Yellow Brick Road is providing opportunities for community involvement, volunteering and training as well as local employment.



**White Goods Recycling Phase 3
Grangemouth Enterprises
£15,000**

Grangemouth Enterprises has been uplifting white goods throughout the Falkirk district for the last 2 years. Where possible, machines have been repaired and sold on to low income groups or given to homeless/ needy groups as identified by social workers and health professionals. Where repair is not possible, machines have been stripped for salvage and to extract or control potential toxins.

**Carron Landfill Site Phase 2
Central Scotland Forest Trust
£9,847**

In 1999 FET supported a successful development project adjacent to the Carron landfill site and this application requested funds to extend that work. The project resulted in 5,400 native trees being planted to create a woodland area between the landfill site and adjacent residential area. In addition, a 250m section of pathway was upgraded to reinstate a lost link between Larbert and Carronshore.



**Going Forth
Central Action
£17,985**

The old Falkirk and Stirling Green Diaries have been replaced by a new publication that covers the Forth Valley Waste Plan area, taking in the local authority areas of Falkirk, Stirling and Clackmannanshire. Key differences from its predecessor are the increased area, increased use of alternative media including the internet, e-mailing and radio, reduced dependence on Landfill Tax and a revision of the format and scope in an attempt to reach the 'unconverted'.

**Firdale Woodland
Central Scotland Forest Trust
£3,941**

The project aimed to develop and manage a mature woodland area that formed part of the Muiravonside Link and the Millennium Link. Through disease and general degradation, the woodland failed to maintain a healthy succession of younger trees and without intervention would have had a relatively short life expectancy and limited habitat value. The project resulted in improvement of 1.2 Km section of pathway to improve public safety and access to the woodland area in general.

**Bells Meadow Skateboarding and BMX Park,
The 3Bs Group
£25,000**

Funds were sought to develop the old Bells Meadow play area into a multi-use park for use by skateboarders, skaters and BMX users. This community led project involved extensive community consultation and took 2 years of dedicated work by the community to reach the stage where it was ready to approach funders.



**FET Development Project
Falkirk Environment Trust
£27,000**

Following the FET Board's agreement to continue funding of the Development Manager post for an additional 2 year period, FET made a formal funding application to satisfy audit requirements.

Small Grants Scheme

The Trust supported 11 projects through its Community Grants Scheme over the 12 month period, awarding a total of £13,249.

	Small Grants	Award	Total value
1	Callendar Woods Seed Collection	£853	£1,103
2	Eco Savers – Falkirk	£1,265	£3,265
3	Outdoor Diary 2003	£1,000	£9,200
4	Falkirk Water Vole Survey	£2,000	£7,500
5	Bats and the Millennium Link	£780	£5,930
6	Annual Monitoring of Fry Numbers	£2,000	£2,000
7	Drumbowie Park/Pond Improvement	£730	£788
8	Comely Park Road and Hedge Improvements	£1,340	£1,740
9	Polmont Community Clean Up	£400	£400
10	Torwood Development Project	£881	£881
11	Tamfourhill Womans Group Environmental Awareness Campaign	£2,000	£3,200
	Total	£13,249	£36,007
	Grand total	£202,128	£789,731

Bats and the Millennium Link Central Scotland Bat Group £590

The project aimed to promote bats to the public and to study bats along the canal as part of the groups commitments to the Falkirk LBAP. The majority of the funds were used to purchase equipment with the remainder funding their twice yearly newsletter.



Annual Monitoring of Fry Numbers Forth Fisheries Foundation £2,000

The group is a charitable organisation committed to the conservation of all species of freshwater fish, aiming to increase the biodiversity of rivers and their banks.

They requested £650 for survey and reporting costs and a contribution of £1,350 towards electro-fishing equipment.

**Drumbowie Park Pond Improvement
Drumbowie Environmental Action Group**

£730

This community group works on a programme to manage and maintain Drumbowie Park Community Woodland. For this project they were awarded funds to clear an existing pond to increase its wildlife value.



**Comely Park Road & Hedge Improvements
Comely Park Mountjoy**

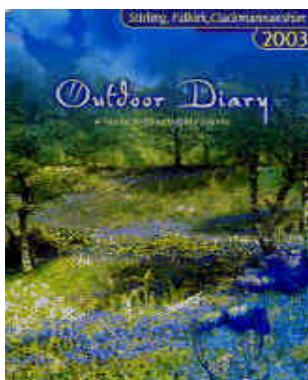
£1,340

A group of residents from North Craigs requested funds to develop a Public Right of Way as a community wildlife resource. Work involved improving the drainage, surfacing, hedgerow repairs, planting wildflowers and installing bird boxes with residents carrying out the work.

**TWG Environmental Awareness Campaign
Tamfourhill Women's Group**

£2,000

A women's community group was established in Tamfourhill with the aim of raising environmental awareness in Falkirk. The group's list of environmental objectives included a feasibility study into establishing a 'real nappy network' for action, to reduce usage of disposable nappies.



Outdoor Diary 2003

MSEEF

£1,000

Funds were awarded towards the total production costs of the Outdoor Diary for 2002/03. The booklet details events that promote sustainability throughout Mid Scotland and is particularly linked to the themes of sustainable development, waste minimisation and biodiversity.

**Falkirk Water Vole Survey Phase 1
Falkirk LBAP Partnership**

£2,000

A contribution was sought towards the costs of carrying out a survey as part of the Water Vole Species Action Plan. The survey aimed to establish current population level and distribution pattern in order to determine action needed to stabilise and boost population levels and also to measure success of these actions.





Greenscene 2003

Mid Scotland Environmental Education Forum (MSEEF), £2,000

This a 4 day event takes place in May of each year and funds were sought for the 2003 event. .The event attracts 1,500 school children and 400 members of the public from Clackmannanshire, Falkirk and Stirling Council areas who participate in activities related to waste minimisation, recycling and sustainable development.

Callendar Woods Seed Collection

Callendar Woods Group

£853

This application requested funds for the third stage of a seed collection plan. The group was growing on seeds from local blackthorn and elder for planting in 2003. Due to lack of funds and poor conditions the group had a gap in their planting programme for oak that threatened the momentum of the larger project. Funds were awarded to purchase 1000 oak seedlings and to buy equipment to enable the group to home grow more seedlings.

Eco Savers – Falkirk

Alloa Community Enterprises

£1,265

Alloa Community Enterprises worked with community groups in Slammananan and Limeriggs to identify concerns and ideas for recycling projects. The communities were keen to participate in glass recycling but up until now has no facilities. FET agreed to fund part of the costs of setting up recycling points in the 2 villages.

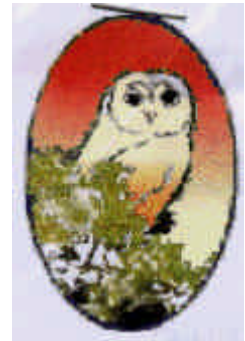


**Polmont Community Clean Up,
Polmont Community Council, £400**

Once again Polmont Community Council ran a highly organised and extremely well attended community clean up event. Funds were sought from FET as well as from local businesses to cover the costs of equipment and refreshments.

Torwood Development Project
Torwood Community Group
£881

The community of Torwood formed a group with the intention of obtaining funding from the Scottish Land Fund to buy a section of Torwood Forest (111 ha). Generating tremendous community activity, they are working towards achieving community ownership of the forest, securing its long terms future to develop and enhance it as a community and wildlife resource. FET agreed to fund the initial evaluation – a stage crucial before any other funders would become involved.





FET Development – Some Key Issues

In May 2002 the Trust produced a three year Development Plan and since then has made steady progress made towards achieving the specified objectives.

Over the last twelve months, FET has dealt with a range of major changes to its operations. On a negative tack, it faced major challenges resulting from fundamental changes to the Landfill Tax Credit Scheme. At the same time, the Trust was adapting to having a full time Development Manager whose remit included strengthening and diversifying the Trust's funding base and this resulted in a variety of funding partnerships.

The Trust's key development stages over the last year can be summarised as follows:

1. Continuation of FET Development

The FET Board agreed to extend the life span of FET's development period to enable it to carry on its increasingly successful funding role and to cope with change. This meant a two year extension of the Development Manager position and an extended commitment to funding from the key funding partners (SNH, BP Grangemouth, Falkirk Council and EB Scotland), was obtained.

2. Changes to the Landfill Tax Credit Scheme

In November 2002 the Chancellor for the Exchequer announced a series of fundamental changes to the Landfill Tax Credit Scheme that would impact heavily on FET and all other Distributive Environmental Bodies (DEBs). The changes were scheduled to start on the 1st of April 2003 and were, in summary:

- i. **Old scheme:** up to 20% of Landfill Tax Credits could be allocated by landfill operators to Environmental Bodies (EBs) on a voluntary basis.
New scheme: 13.35% automatically goes to Customs & Excise leaving a maximum of 6.65% that may be allocated to EBs.
- ii. **Old scheme:** EBs were encouraged to allocate at least 66% of their Credits to support waste minimisation related projects.
New scheme: whilst funds generated before 31/03/03 could still be allocated to waste related projects, funds arising after that can no longer be used. This effectively prevents DEBs from supporting waste projects –an area that they have concentrated on previously.
- iii. **Old scheme:** as the Landfill Tax levy rose at a rate of £1 per tonne per year, the amount of Credits available for all types of projects steadily increased.
New scheme: the amount of Credits available for projects is capped at £147 million for the U.K.

3. Impact on FET

As a result of the above changes, FET's projected annual income from Landfill Tax will fall in 2003/04 by 66% to approximately £80,000. In line with guidance from the Government, FET placed emphasis on encouraging the development of waste minimisation related projects through its funding programme over the last two years and this is reflected by waste minimisation being firmly embedded in FET's aims and objectives. As a result of FET's commitment, it has aided the development of a variety of community enterprise, voluntary group and private enterprise projects aimed at reducing waste.

Delays in the flow of funding during the initial phases of the partnership with EB Scotland combined with a regular quarterly delay in confirming the amount of Landfill Tax Credits available, have proven to be of unexpected benefit to the Trust. Whilst other DEBs have



regularly allocated the maximum funds available to them on a quarterly basis, FET allocated its funds more prudently with the result that by the time that the old Landfill Tax Credit Scheme was replaced, it had reserve funds. These reserve funds can continue to be allocated to waste minimisation projects until they run out.

4. Reaction to Change

FET recognised that it had a series of non mutually exclusive options:

- Reduce the level of activity of the Trust to reflect decrease in income.
- Wind up the Trust and allocate the reduced funds allocated to another EB such as EB Scotland.
- Concentrate effort on diversification and consolidation of the funding base.
- Amalgamate with a neighbouring/similar trust.
- Work to encourage the Scottish Executive to ensure that the 'lost' 66% of Landfill Tax Credits are used to support waste related projects and maintain the momentum generated to date.

The FET Board chose to view the changes as a challenge, opting to concentrate effort on stabilising the funding base in conjunction with working to liaise with the Scottish Executive.

5. Diversifying the Funding Base

In the financial year 2002/03, FET maintained existing funding relationships and developed a series of new arrangements:

Falkirk Council

FET successfully applied to Falkirk Council for a small amount of Landfill Tax Credits generated by the Council's own site at Kinneil Kerse. These funds have enabled FET to retain its status as a Landfill Tax funder and so keep its place in a number of influential forums. The funds themselves have been used to support community led waste related projects. In addition, the Council provided funds to continue the operation of the Community Grants Scheme and to set up a fund to assist in the delivery of projects linked to the Falkirk Greenspace Initiative. These funds will be 'ring-fenced' for the purpose and used to match funds from other sources.

Charitable Sector

FET headed a joint venture with Falkirk Council to secure funds for a Green Travel Plan project through the Fresh Futures lottery based fund. The successful bid secured £40,000 from Fresh Futures and encouraged Falkirk Council to commit an equal amount with FET taking the role as Project Manager (with a modest administration fee). The project will be monitored closely to see if it can act as a template for future partnership initiatives.

Private Sector

The GR Service Company allocated a significant proportion of the Landfill Tax Credits generated by it in this financial year. The company was keen to plough Credits back into Falkirk area for the benefit of the community.

Public Sector

FET in conjunction with Falkirk Council applied to Scottish Natural Heritage for funds to support a series of school grounds development projects. SNH continued its support of FET's Community Grant Programme by funding up to 33% of the value of smaller projects that fell within its remit. In addition to this, SNH continued to release funds to support the FET Development Project and the Falkirk Local Biodiversity Action Plan.

6. Influencing Change

In the same year that changes to the Landfill Tax Credit Scheme were announced, the Aggregates Levy was introduced. In the case of the Landfill Tax Credit Scheme, the FET Board took part in a DEFRA consultation exercise on the future of the scheme. In both cases, FET played a key role in developing and submitting potential funding models to the Scottish Executive to encourage links with existing projects, organisations and the network of distributive trusts. FET kept local MSPs informed of changes and potential threats and played a key role in raising questions in the Scottish Parliament to ensure that the momentum and profile of local trusts were maintained.

iv. Delivering a Publicity Strategy

A key element of FET's Development Plan was the production and delivery of a publicity strategy. The aim of this was to raise FET's profile in order to encourage a range of high quality funding applications followed by subsequent publicity. This was achieved through the following actions:

- Press coverage in the Falkirk Herald, Falkirk Green Diary, BP Grangemouth staff magazine, CVS Falkirk & District 'Inform' newsletter and Third Force News.
- Website on line in August 2002.
- Delivered training course for local groups on 'How to Access Landfill Tax'.
- Produced publicity leaflet.
- FET stall with information panels at series of events.



Treasurer's Report for the Period April 2002 – March 2003

This is the fifth full financial year for FET. The accounts have again been submitted by WDM Associates. Extracts from the audited accounts are included below and the following comments should be considered in their interpretation.

The accounts are audited on an 'accrual accounting' basis and not just a simple 'funds in/ funds out' basis.

Landfill Tax income and turnover is down significantly from last year, however, this does not reflect the funds secured for local projects through the local landfill operator, Shanks Avondale and their partner EB Scotland. Under this arrangement, some £212,000 was allocated to projects approved and managed by FET. Such funds were passed directly to projects at agreed stages by EB Scotland without passing through the FET accounts.

Apart from these EB Scotland funds, there was significant income from other sources including the GR Service Company, Falkirk Council, Scottish Natural Heritage and BP Grangemouth. Additional income has been secured from these sources and also lottery funding through the Fresh Futures programme. This will, however, be recorded in the figures for the next financial year.

Whilst the EB Scotland partnership covered some of the larger scale and higher cost projects, funds from the FET accounts (some £54,000), were mainly spent on the first phases of longer term projects and on the Community Grant Scheme. This scheme has an upper award limit of £2,000.

In relation to the total value of projects nominated for award and managed, the administrative cost which includes the cost of employing the Development Manager, still remains modest at approximately 10%.

Profit and Loss Account for the Year Ended 31 March 2003

	<u>2003</u>	2002
	£	£
TURNOVER	101,467	158,436
Direct Costs	<u>81,818</u>	143,968
GROSS PROFIT	19,649	14,468
Administrative Expenses	<u>3,424</u>	1,921
OPERATING PROFIT	16,225	12,547
Interest receivable and similar income	<u>865</u>	940
PROFIT ON ORDINARY ACTIVITIES	17,090	13,487
Surplus/(Deficit) brought forward	<u>21,458</u>	7,971
RETAINED PROFIT CARRIED FORWARD	<u><u>38,548</u></u>	21,458

Statement of Financial Activities for the Year Ended 31 March 2003

	Restricted Funds	
	2003	2002
	£	£
INCOME & EXPENDITURE		
Incoming Resources		
Landfill Tax	86,989	104,088
Other Grants	39,470	37,583
Movement of Deferred Income	24,992	16,765
Bank Interest	865	940
TOTAL INCOMING RESOURCES	<u>102,332</u>	<u>159,376</u>
RESOURCES EXPENDED		
Direct Charitable Expenditure	81,818	143,968
Administration and Overheads	3,396	1,921
TOTAL RESOURCES EXPENDED	<u>85,214</u>	<u>145,889</u>
NET INCOMING RESOURCES	<u>17,118</u>	<u>13,487</u>

Balance Sheet for the Year Ended 31 March 2002

	2003	2002
	£	£
CURRENT ASSETS:		
Cash at bank	146,395	87,193
CREDITORS:		
Amounts falling due within one year	107,847	65,735
NET CURRENT ASSETS:	<u>38,548</u>	21,458
TOTAL ASSETS LESS CURRENT LIABILITIES:	<u>38,548</u>	21,458
RESERVES:		
Profit and loss account	38,548	21,458
	<u>38,548</u>	21,458



Falkirk Environment Trust
would Like to thank its partners
for their continued support



Scotland

