

Review of Midlothian Council Grants to Community Groups and Organisations.

Report by Director, Health and Social Care

1 Purpose of Report

This report informs Council of the completion of the review of the Midlothian Council Grants to Communities, and recommends the allocation of grants to community groups and organisations for the next three financial years.

2 Background

2.1 The review was instigated in November 2013 as part of the wider Review of Services to Communities. That wider review as well as the review of grants has been prompted by a need to focus on the areas of greatest need for the Council's resources and services, to ensure that a more focused approach delivers services and meets need more effectively, and drives efficiencies in seeking opportunities for financial savings. It is relevant to note that the grants under review do not include substantial public sector funding provided by the Council and Scottish Government, primarily through service level agreements, to a range of organisations which deliver services to priority groups of those in particular need in our communities.

2.2 An interim report on progress with the grants review was submitted to Council on 24 June 2014. That report explained the defined objectives of the review, as well as the setting up and operation of a co-production panel comprising voluntary sector representatives, a community planning partner (NHS), and Council officers, noting that the work of that panel had been to establish priority themes for the focussing of grant allocation taking account of the priorities of the Community Planning Partnership and the Single Midlothian Plan. In reaching its findings and recommendations the co-production panel also took account of equalities impact, risk assessment and the results of an engagement programme with a wide range of stakeholders. The results of the engagement programme showed strong support for the five new revised grant streams recommended by the panel: these being:-

- i) Poverty;
- ii) Developing Communities;
- iii) Employability, Learning and Training;
- iv) Health and Physical Activity; and
- v) Council Building Rent.

Council agreed to adopt these five grant streams.

2.3 The report to Council in June of this year also considered the two central issues of potential savings and the timing of implementation. On savings, the voluntary sector representatives on the co-production panel expressed a preference for no reduction in the grants budget. However, Council decided

that there should be a steady reduction in the overall budget over the three year period from around £1.5m to £1.0m per annum, and that this be reflected in the consideration of applications for grants from 1 April 2015.

- 2.4** The remainder of this report covers the action taken since June to complete the review; a full statement of the whole process comprises Appendix 1 to this report, and also includes the equalities impact assessment. Appendix 2 comprises the full list of applicants and the recommended decision on each application.

3 Action since June 2014 to Complete the Review of Grants Process

- 3.1** Following the consideration of the report to the June 2014 Council meeting, officers have undertaken a programme of activity to provide for a new grants scheme to commence on 1 April 2015. Details of that activity are provided in Appendix 1; in summary it included an extensive and comprehensive communications exercise across a wide range of media, and information and awareness sessions at various locations to assist prospective applicants. Very wide publicity was given to the period for receipt of applications, this being 1 September to 10 October 2014. A measure of success of that programme of publicity is that only eight of the 216 applications submitted (this is a net figure as the overall total of 221 includes five duplicate applications) were received outwith that period.
- 3.2** All applications were submitted on a standard template form to enable consistency of assessment. Following closure of the period for receipt of applications the defined process of assessment was instigated. For each of the four grant streams (employability, poverty, health/physical activity, and development communities) two scoring panels were appointed; these being one for small grants (up to £3,000) and large grants (£3,001 and over). These scoring panels comprised Council officers with particular knowledge of these streams. Although invited to be fully participating members of the scoring panels, the voluntary sector decided to take a participating observer role on each panel.
- 3.3** All members of the scoring panels received a thorough briefing and training prior to assessing applications to ensure that the assessment process would be rigorous, robust and consistent. The work of the scoring panels took place over a two week period in late October/early November, and at the conclusion of which a full set of recommendations on all of the applications was provided. The lead officers of the scoring panels then further refined the recommendations for the purposes of consistency and equality of assessment in regard to the overall criteria for the consideration of applications. The product of that completed scoring and assessment process and the recommendations are contained in Appendix 2 of this report (**Distributed separately along with this report**). The information at Appendix 2 shows that the total amount of money being bid for by applicants significantly exceeded the amount which is available to award. Accordingly, whilst some applicants are recommended to receive that for which they applied, others are recommended to receive only part of their requested amount, and some are recommended to receive no grant funding.

4 Report Implications

4.1 Resource

The total amount of grant recommended in each of the following three financial years is as follows:

	Budget	Savings	% savings on original budget
2015/2016 :	£1,449,685	£50,000	3%
2016/2017 :	£1,199,279	£250,000	17%
2017/2018 :	£999,389	£200,000	13%

This would represent a total reduction of one third from the grant budget for 2014/2015. This saving would also contribute to the wider savings target of the Services to Communities Review, of which it forms part. Small grants awards will be on an annual basis whilst large grant awards will be on a three year cycle. The total allocation for small grants in 2016/17 and 2017/18 is capped such that it will not impact on the savings amounts set out above. It is not expected that the implementation and operation of the new grants streams would require any additional staff or other resource. As noted in the previous report to Council, the voluntary sector does not support any reduction in the total grants budget.

4.2 Risk

A serious risk to this review is loss of credibility if it were to be shown that the process of assessment and grant allocation had been inconsistent, arbitrary or anecdotal. That is why every attempt has been made at all stages of this review to ensure that a rigorous, robust, and transparent approach has been taken. The risk register for this review also identified potential high risks for the community groups in terms of loss of staff and volunteers, community organisation closure, increased pressure to fund raise from other sources and loss of external funding leverage. Opportunities to support organisations and thereby address many of these risks would be in-kind and other support from the Council through its statutory and other frontline services (which may need some consequent refocus and redesign) as well as from other community planning partners. More detail on these potential actions is included in Appendix 1.

4.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- ☒ Community safety
- ☒ Adult health, care and housing
- ☒ Getting it right for every Midlothian child
- ☒ Improving opportunities in Midlothian
- ☒ Sustainable growth
- ☒ Business transformation and Best Value
- ☐ None of the above

4.4 Key Priorities within the Single Midlothian Plan (SMP)

The basis for the review of grants was essentially to address the SMP priority areas/themes, as is reflected in the five defined grant streams.

4.5 Impact on Performance and Outcomes

The significant realignment of the grants process and allocation strategy will require close monitoring to see if the desired outcomes for each grant stream are demonstrably being met more effectively when compared with previous years' performance prior to the review.

4.6 Adopting a Preventative Approach

Inherent in the definition of each grant stream and the stated intended outcomes is a preventative approach which seeks to address the underlying factors that characterise health and welfare inequalities.

4.7 Involving Communities and Other Stakeholders

The review has been conducted using a co-production panel comprising a significant proportion of representatives of the voluntary sector, as well as a community planning partner. In the establishment of priority grant streams a stakeholder engagement exercise was undertaken. Representatives of the voluntary sector were involved as participating observers in the work of the scoring panels.

4.8 Ensuring Equalities

An equalities impact assessment has been undertaken in relation to the recommendations for grant awards. In summary, the proposals have a positive impact predominantly in terms of age, disability, gender and poverty. Overall however there is negative impact from the proposals in relation to the above and all protected characteristics, primarily due to the reducing budget over 3 years. Successful applicants are likely to require to transform working practice or find alternative sources of funding over time to address the funding gap. This issue may be more acute for current funding recipients who have been unsuccessful or partially successful in achieving a grant award. The action plan at Appendix 1 aims to support organisations through the changes. The grant stream lead officers have also identified where further advice and information can be provided to support applicants with a specific equalities locus to bid successfully in future.

4.9 Supporting Sustainable Development

The co-production panel considered sustainability when developing the priority grant stream proposals. This has set the direction for an assessment process that has regard to the significance of sustainability.

4.10 IT Issues

None.

5 Summary

- 5.1** The review of the process for awarding grants by Midlothian Council to community groups and organisations has been completed. The product of that work, in accordance with the timetable agreed by Council in June 2014, is a series of recommendations for grant awards for the three year period, 2015/16 to 2017/18, and provided at Appendix 2 of this report.
- 5.2** The review has been particularly thorough so as to ensure that difficult decisions on which applicants are awarded funding from a limited, and oversubscribed, budget are made in a fully consistent and fair manner. To enable that consistency and fairness to be realised, the process of review has taken the necessary time to initiate and develop strong links with the voluntary sector and the Community Planning Partnership through the formation and operation of a co-production panel, wider stakeholder engagement, extensive publicity and information/awareness raising activity, and a closely structured process for the assessment of all grant applications. Integral to all of that activity has been collective agreement on the priority grant streams and the scoring criteria for assessment, both taking a lead from the defined outcomes of focussing resources on areas of greatest need, and doing so in the most effective manner. The process review has therefore been rigorous, inclusive and transparent: thereby resulting in recommendations that are a product of a consistent and fair assessment of the grant applications received.

6 Recommendations

- 6.1** It is recommended that Council:
- i) notes the extent of the comprehensive review of the processes associated with the awarding of grants by the Council to community groups and organisations;
 - ii) approves the recommended grant awards as set out in Appendix 2 of this report (subject to meeting the appropriate conditions of grant);
 - iii) notes that for large (£3,001 and above) grants the next round of bids will be invited in 2017/18 for award in 2018/19, and every three years thereafter;
 - iv) notes that for small (below £3,000) grants the next round of bids will be invited in 2015/16 for award in 2016/17, and annually thereafter; and
 - v) instructs the Director, Health and Social Care, to report annually in accordance with the Council's agreed procedures for reporting on Following the Public Pound.

Date 19 November 2014

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Background Papers: None

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- ☐ *All resource implications have been addressed. Any financial and HR implications have been approved by the Head of Finance and Integrated Service Support.*
- ☐ *All risk implications have been addressed.*
- ☐ *All other report implications have been addressed.*
- ☐ *My Director has endorsed the report for submission to the Council Secretariat.*

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Likewise, please advise the Council Secretariat if any report for Midlothian Council has an education interest. The Religious Representatives are currently entitled to attend meetings of the Council in a non-voting observer capacity, but with the right to speak (but not vote) on any education matter under consideration, subject always to observing the authority of the Chair.