

**Allocation of Poverty Funding (PB) using a Small Grants Approach****Report by Joan Tranent, Chief Officer Children's Services, Partnerships and Communities****Report for Decision****1 Recommendations**

Council is recommended to:

- Approve the allocation of the £80k poverty budget for 2020/21 using a small grants approach with changes to the amount of minimum and maximum awards for this period only
- Approve the allocation of the £40k poverty budget for 2021/22 using a small grants approach
- Approve the revised outcomes for the poverty stream of small grants for 2020-2022
- Approve the formation of a grants panel to include elected member representation and delegate responsibility to this Panel to make awards

**2 Purpose of Report/Executive Summary**

As a result of the COVID pandemic, there is an urgent need to address the emerging financial difficulties and the predicted large increase in the unemployment rate for Midlothian residents.

This report seeks to have the £80k poverty budget for 2020/21 and the £40k budget for 2021/22 allocated using a small grants approach rather than via participatory budgeting. This will ensure:

- a quick turnaround to provide a speedy response
- funds are distributed to organisations that will help those people most in need

**Date** 3<sup>rd</sup> August 2020

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### **3 Background**

- 3.1** In 2018, Council approved the new small and large grants scheme for 2019-2022 (Appendix 1). The £40,000 annual poverty stream was approved for allocation using an alternative approach of participatory budgeting and focused initially in the priority areas of Mayfield, Woodburn/Dalkeith and Gorebridge. This approach allowed us to identify match funding to maximise the impact on people living in our poorest communities and involve local communities in decision making.
- 3.2** A successful participatory budgeting pilot took place in 2016 using match funding from the Community Choices Fund. The initiative funded projects that helped families who were struggling financially. In total, there were 31 projects with a total value of £77,908 competing for the £30,000 allocation. 17 projects were allocated funding.
- 3.3** In 2018, Council identified a need to understand issues surrounding the 'cost of the school day' and the impact on child poverty. In 2017, Midlothian Council successfully applied to the Scottish Government Community Choices fund for £40k, and provided match funding of £40k from the Council's Poverty Stream funding. Run throughout 2018 the project worked with local children, parents, schools and the wider community to reduce the inequalities incurred because of the cost of the school day. The project worked in eleven primary schools in Midlothian's three priority areas and saw high levels of participation. Sixty-two projects received funding and they included provision of free healthy snacks and fruit, support for Breakfast Clubs, subsidies for school trips & camps. In addition, there was funding for Homework Clubs to support learning, attendance at after school events and cultural activities such as theatre and pantomime trips. One of the most significant impacts of the project had been to increase awareness and people's willingness to openly discuss the impact of child poverty in a school environment.
- 3.4** The poverty stream of both large and small grants has been undersubscribed every year and at Council meeting of 17<sup>th</sup> December 2019 (Appendix 2) it was agreed that officers could review the criteria for this grant stream for the final year of allocations 2021-22 (Appendix 4).
- 3.5** Participatory budgeting has been a resource intensive activity for CLL officers and has had varying degrees of success. The most recent PB activity using Environmental funds in the Dalkeith/Danderhall areas was impacted by Covid and this approach needs to be reviewed before CLL enter into any further PB projects.
- 3.6** As a result of the PB project in Dalkeith/Danderhall requiring extensive CLL officer resource, the introduction of lockdown and the fact we were unable to secure match funding, there is still a pot of £80,000 available for 2020, followed by a further £40,000 in 2021/22.

- 3.7** Due to the impacts of the Covid pandemic it is vital that poverty, and in particular child poverty, is at the heart of the local authority response to recovery and renewal. Research shows that women and households with children who were already at increased risk of poverty, have been particularly impacted by Covid. It is reported that 7 out of 10 families on Universal Credit or Child Tax Credit have had to cut back on food and other essentials and have been pushed to borrow money with many relying on expensive forms of credit. 51% have fallen behind on rent or other household bills. (Source: Save the Children and Joseph Rowntree Foundation 2020).

The financial impacts of Covid for Midlothian are:

- Significant rise in those claiming out of work benefits with further uncertainty as furlough comes to an end
  - Increased costs in food, energy and learning resources due to lockdown
  - Food insecurity
  - School and childcare closures
  - Increased levels of debt
  - Digital exclusion
  - Increase in poverty related inequalities having an impact on health and wellbeing
- 3.8** There is an urgent need to address these emerging financial and wellbeing concerns and the predicted large increase in the unemployment rate for Midlothian residents.
- 3.9** CLL propose that the £80k poverty budget for 2020/21 and the £40k budget for 2021/22 should not be allocated via participatory budgeting but by using a small grants approach to ensure:
- a quick turnaround to provide a speedy response
  - funds are distributed to organisations that will help those people most in need
- 3.10** The criteria, guidance and conditions of grant will be similar to the existing grants programme (Appendix 3). Key changes will be:

**3.10.1** Poverty outcomes:

- Disposable income of Midlothian residents is maximised
  - Cost of utilities have been reduced
  - Costs of participation in education have reduced
  - Costs of participation in leisure, sports and arts experiences have reduced
  - Transport costs are reduced
- Reduction in poverty-related inequalities in health and wellbeing
- Reduction in financial stress for parents
- Increase in opportunities to upskill and gain qualifications
- Awareness of entitlement to benefits has increased

**3.10.2** Amount for 2020/21 allocation of funding only:

- Maximum award - £20,000
- Minimum award - £5,000

Amount of Award for 2021/22 will remain the same.

### **3.10.3 Timeline for 2020/21 applications:**

- Applications open – 1<sup>st</sup> to 20<sup>th</sup> September 2020
- Applications reviewed by panel – 23<sup>rd</sup> September 2020
- Funds paid out: late September/early October 2020

No changes are proposed to the timeline for the 2021/22 awards.

### **3.10.4 Assessment Panel**

It is proposed that the assessment panel should consist of elected members and council officers. Ideally we would also like some third sector or community representation on the panel but this may be more difficult due to the short time period involved. This approach has been used successfully in the past with Fairer Scotland funding. The panel will be chaired and supported by a Council Officer from CLL. The Panel will assess and award grants without further recourse to Council to ensure a quick turnaround in payment.

### **3.10.5 Monitoring**

This will be monitored in the same way as current grants with appointed council officers assigned to each project to provide support and scrutiny.

- 3.11** A proposal for the revised guidance and criteria for the poverty stream has been produced (Appendix 4).

## **4 Report Implications (Resource, Digital and Risk)**

### **4.1 Resource**

None – funding has already been allocated within the 2019–22 grants budget

### **4.2 Digital**

None

### **4.3 Risk**

Failure to address the poverty related issues that have arisen from the COVID pandemic will have a socio-economic impact on vulnerable Midlothian residents

### **4.4 Ensuring Equalities (if required a separate IIA must be completed)**

This report does not recommend any fundamental change to policy or practice and therefore does not require an Equalities Impact Assessment

#### **4.5 Additional Report Implications (See Appendix A)**

See Appendix A

### **Appendices**

**Appendix A – Additional Report Implications**

**Appendix B – Background information/Links**

## **APPENDIX A – Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

Reducing the gap in learning outcomes

Reducing the gap in health outcomes

Reducing the gap in economic circumstances

### **A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☒ Holistic Working
- ☐ Hub and Spoke
- ☐ Modern
- ☒ Sustainable
- ☒ Transformational
- ☒ Preventative
- ☐ Asset-based
- ☒ Continuous Improvement
- ☐ One size fits one
- ☐ None of the above

### **A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☒ One Council Working with you, for you
- ☒ Preventative and Sustainable
- ☒ Efficient and Modern
- ☒ Innovative and Ambitious
- ☐ None of the above

### **A.4 Delivering Best Value**

Best value delivery is a core principle of the Midlothian Council grants process

### **A.5 Involving Communities and Other Stakeholders**

The 2019–2022 Midlothian Grants programme has been the product of extensive engagement with community and third sector organisations

## **A.6 Impact on Performance and Outcomes**

The report sets out revised outcomes that will enhance the wider performance and outcomes of the Improving Opportunities Midlothian (IOM) strand of the Single Midlothian Plan and contribute towards the Child Poverty Action Report

## **A.7 Adopting a Preventative Approach**

A preventative approach is a key principle in addressing poverty related outcomes

## **A.8 Supporting Sustainable Development**

This is not applicable.

## **APPENDIX B**

### **Background Papers/Resource Links**

#### **Appendix 1**

#### **Grant Allocations 2019 – 2022**

	2019-20 Year 1 £	2020-21 Year 2 £	2021-22 Year 3 £
Large Grants allocation	480,000	480,000	480,000
CABs	243,380	243,380	243,380
Rents	127,512	127,512	127,512
Small Grants	80,000	80,000	80,000
Community Councils	10,000	10,000	10,000
Micro Grants	9,000	9,000	9,000
Gala Days	10,000	10,000	10,000
Poverty Stream (PB)	40,000	40,000	40,000
<b>Total allocation</b>	<b>999,892</b>	<b>999,892</b>	<b>999,892</b>

#### **Appendix 2**

**Voluntary Sector Grants Paper presented at Council meeting 17<sup>th</sup> December 2019**

#### **Appendix 3**

**Existing grant criteria and guidance**

#### **Appendix 4**

**Proposed new grant criteria and guidance for Poverty Stream**