

Midlothian Council Voluntary Sector Grants Programme

Report by Dr Mary Smith, Director Education, Communities and Economy

1 Purpose of Report

This report is requesting Council to approve a revised three year grants programme for the period 2019-2022.

2 Background

2.1 In June 2014 the Council approved a set of recommendations following a review of grants to establish a three-year grants programme for the period 2015/16 - 2017/18. This review brought together the various historic grant arrangements into one overall programme. The review was prompted by a need to focus on the areas of greatest need, to ensure a more focused approach and secure financial savings.

2.2 In 2018/19 the overall grants programme has an annual budget allocation of circa £1million. The small and large grants programme are made up of four separate funding streams:

- i) Developing Communities (including Community Councils)
- ii) Employability, Learning, and Training
- iii) Health and Physical Activity
- iv) Poverty

In addition to the four grant streams there is a rent budget that provides grant funding to voluntary organisations who rent council premises.

2.3 Large Grants

Large grants were issued in 2015 for a three year period. Organisations applied for up to three years funding of grants over £3,000 per year, there was no upper limit. The overall budget and the number of organisations receiving a large grant reduced between 2015 and 2018, reflecting the year-on-year reduction in overall budget. In February 2018 Council decided that the organisations currently in receipt of a large grant for 2017/18 would have their grant extended at the same rate for 2018/19. For the financial year 2018/19, 25 organisations receive a large grant, excluding the Citizen Advice Bureaux (CABs). The average award is £19,047 with a total spend of £476,185.

2.5 Small Grants

Small grants of up to £3,000 have been awarded annually since 2015. In 2018/19 99 small grants have been distributed with the average award of £909 with a total spend of £90,070. Since 2015, officers have simplified the small grants application process by reducing the length and complexity of the application form.

In December 2015 Council agreed that the annual Gala Day funding of £10,000 is considered as a separate funding stream outwith the grants programme.

In June 2016 Council agreed to allocate the £40,000 annual (undersubscribed) poverty stream small grant fund to the priority communities using a participatory decision making process and use it to seek external match funding.

2.5 Rents

The 2014 review of grants established a new rents stream. Applicants were invited to write to the Council requesting a grant towards the cost of the rent of a council premises. There are currently 17 premises that are grant funded with the average award of £7,501. Those in receipt of a grant receive a quarterly grant payment which they then payback to the Council.

2.6 Proposed new three year grants programme

The proposed three year grants programme has been informed by good practice from across Scotland, officers' experience of administering the existing grants programme and feedback from voluntary organisations. Between March and July 2018 a series of engagements took place to inform a revised three year grants programme. The proposed three year grants programme maintains the key features of the existing programme and recommends a number of improvements. Key changes include:

- Introducing an annual upper limit of £33,500 to reflect the reduction in overall council budget and to help spread the limited resource across the voluntary sector.
- Introducing a new Micro Grant where small organisations can apply for up to £500 with minimal paperwork and reporting requirements.
- Allowing Small Grant applications of under £2,000 a year to apply for funding for a three year period, on the same basis as Large Grant recipients.
- Reviewing all of the grant funded lease arrangements to ensure they are making best use of the Council premises they occupy.

The full recommendations are included in **appendix 1** of this report.

The proposed three year grants programme also reflects key changes in policy such as the Council's decision in May 2018 to remove CABs from the competitive grants programme and fund them on a different contractual basis. This will mean that the current funding of £243,381 will be removed from the grants budget for 2019/20 and beyond. Another key change has been the 2017 enactment of Part 5 of the Community Empowerment (Scotland) Act which provides an alternative framework for grant funding council premises.

3 Report Implications

3.1 Resource

The recommendations in **appendix 1** of this report outline the overall budget and resource implications for approving a revised grants programme, or extending the existing programme for another year. The revised grants programme recommends that voluntary sector grant funding is committed for a three year period. This will provide stability to the sector and help them to secure additional match funding.

3.2 Risk

The existing grants programme has been risk assessed and these risks are included in the Council's Risk Register. The new and existing grants programme is subject to internal audit that helps reduce the risks associated with managing the programme. The processes associated with awarding grants includes robust risk assessment procedures to ensure compliance with Following the Public Pound protocols.

3.3 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

3.4 Key Priorities within the Single Midlothian Plan (SMP)

The SMP has directly informed the criteria of the revised three year grants programme. Applications will be assessed against the extent to which they further the priorities in the SMP.

3.5 Impact on Performance and Outcomes

By supporting the voluntary sector the revised three year grants programme will have a positive impact on the performance and outcomes of the council.

3.6 Adopting a Preventative Approach

The grants programme will continue to support the voluntary sector to undertake preventive work by reducing inequalities, promoting healthy activities and supporting people into meaningful employment.

3.7 Involving Communities and Other Stakeholders

The 2014 review of Council grants used a co-production approach with the third sector. The funding streams, criteria and processes in the existing grants programme have informed the revised three year grants programme. Between 2015 and 2018 there has been a series of improvements to the grants programme based on feedback from the voluntary sector. The recommendations in this report reflect an incremental approach to service improvement.

Between March and July 2018 a Grants Communication and Engagement plan was delivered – see **appendix 2**. The engagement included coverage in the local press, a social media campaign, an online survey, face-to-face meetings with elected members, senior officials, the Third Sector Interface, Community Councils and Community Planning Partners. Feedback from this engagement has informed and shaped the recommendations in **appendix 1** of this report.

3.8 Ensuring Equalities

A full Integrated Impact Assessment was completed in June 2018. The assessment concluded that the revised three year grants programme will have a positive impact on equality groups across Midlothian - see **appendix 3**.

3.9 Supporting Sustainable Development

The revised three year grants programme will help maintain a vibrant voluntary sector in Midlothian. With reductions in statutory funding, the voluntary sector has a key role in developing communities, reducing inequalities and supporting sustainable development.

4 Summary

- 4.1** Officers have undertaken a review of the grants process involving key stakeholders. Based on the priorities of the Single Midlothian Plan and evidence of good practice the grants process has been redesigned to meet the changing needs of our communities.

The grants programme is a key part of the overall Council's contribution to the voluntary sector in Midlothian. The recommendations in a revised three years grants programme have been informed by feedback from local stakeholders, the council's policy priorities and good practice from across Scotland. The proposed programme aims to improve and build on the existing grant programme. A new grants programme will provide a level of security for the voluntary sector, whilst ensuring that the Council maximise the limited resources available. The revised three year grants programme represents an opportunity to build on the positive relationships the council has with the voluntary sector and ensure that we continue to work in partnership to achieve the best outcomes for the people of Midlothian. A new three year grants programme will help ensure equity across the voluntary sector by allowing new and existing grant recipients to apply on an equal basis.

5 Recommendations

- 5.1** It is recommended that Council;

Approves the recommendations for a new revised three year grants programme for the period 2019 - 2022 as detailed in **appendix 1** of this report and instructs officers to implement this new programme.

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Appendix 1: Revised three year grants programme 2019-2022

Appendix 2: Communications and engagement plan