

Background

These recommendations are based on our experience of running the 2015-2018 grants programme. The learning is based on feedback from staff, good practice from across Scotland and feedback from voluntary groups. Between March and July 2018 a Communications and Engagement plan was delivered. This involved preparing a draft set of recommendations, meeting with key stakeholders to discuss these recommendations and conducting an online survey to gather feedback on the draft recommendations. The revised recommendations have been informed by this engagement. Elected members are being asked to consider the following recommendations:

1. The grants programme should be based on an agreed set of principles that will guide the way in which the grants are awarded and managed.
2. The small and large grants should be streamlined so that small and large organisations can apply for funding on a three-yearly basis.
3. We should maintain the four existing grant streams.
4. A new, simple, micro grant should be introduced.
5. Funding should be shared across the sector by introducing an upper limit.
6. Community Councils should continue to be considered separately.
7. The Council's rental grants should be reviewed and aligned with Asset Transfer guidance.
8. We have more to give than just money.
9. The budget breakdown for 2019-22.
10. The application guidance and criteria.

Recommendation 1: The grants programme should be based on an agreed set of principles that will guide the way in which the grants are awarded and managed.

- **Trust not control.** We will simplify the criteria and reporting requirements, based on a starting position of trust.
- **Reduce inequalities and help people most in need.** Grants should support the council's strategic priority in the Single Midlothian Plan of reducing inequalities and supporting those most in need.
- **Simple processes.** The grants process will be simplified so that organisations focus their energy on delivering their work, not completing paperwork.
- **Promoting a sense of place.** Funding should be used to bring people together to take part in community activity.
- **Community-led.** Projects should be led by and for people in Midlothian.
- **Enterprising.** Relying on grant funding alone is not a sustainable business model. Where possible, grant funding should be used to generate additional income.
- **Using resources well.** With the unprecedented pressures on local authority funding, all grants must demonstrate value for money.

Recommendation 2: The small and large grants should be streamlined so that small and large organisations can apply for funding on a three-yearly basis.

The current system has an annual allocation of Small Grants where organisations can apply for up to £3,000 a year. The Large Grants is allocated on a three year cycle with grants of over £3,000 a year and up to more than £150,000 a year. This means that small organisations applying for less than £3,000 have to apply annually, placing a significant administration burden on small organisations and not giving them the financial security of larger organisations. If possible, funding should be made available on a three yearly basis for all grants. Grants of less than £500 (micro) will be considered every 6 months. Grants of between £500 and £2,000 a year will be considered annually, and large grants of over £2,000 a year will only be considered every three years. . It is also important to keep some funds in reserve to respond to emerging needs

Recommendation 3: We should maintain the four existing grant streams.

The initial paper recommended that there should be only one grant stream. However the feedback from the Third Sector Interface and colleagues from within the council was that a single grants stream would make the decision making too difficult, in particular for the scoring panels. Therefore, the existing four grant streams of 1) Developing Communities 2) Employability Learning & Training 3) Health and Physical Activity and 4) Poverty should remain. These streams were developed in partnership with the third sector.

Acknowledging that projects may meet the criteria of more than one grant stream, and to ensure that successful applications are based on merit, it also recommended that allocations can be moved across the four grant streams, as has been the case previously, depending on the strengths of the individual applications. In the case of moving money across the four grant streams the council leader and deputy leader will be asked to endorse the decision to ensure appropriate governance.

Recommendation 4: A new simple micro grant should be introduced.

Small, volunteer-led community groups have consistently pleaded with the Council to reduce the amount of form filling and paperwork required to receive a small grant. A new Micro Grant should be introduced where local community groups can apply for up to £500 with minimal paperwork and reporting requirements. Community groups will be asked only to demonstrate that their activity will improve the quality of life for local communities in Midlothian. These grants will be made available every 6 months.

Recommendation 5: Funding should be shared across the sector by introducing an upper limit.

To ensure grants are spread across the community and voluntary sector, and acknowledging that there has been a £500,000 reduction in the overall grants budget, we propose setting an application upper limit on the amount we award any organisation:

Grant	Maximum annual award	Maximum 3 year award	Grants will be allocated
Micro	£500	£1,500	Every 6-months
Small	£2,000	£6,000	Annually
Large	£33,500	£100,500	Every 3-years

Organisations can apply for more than one grant, however, the maximum award that any organisation will receive in a year will be £33,500. The majority of groups that have provided feedback endorsed the recommendation to have an upper limit.

We will continue to make sure that smaller organisations are given the support they need to complete their applications.

Recommendation 6: Community Councils should continue to be considered separately.

The Council has a duty as part of the Local Government in Scotland Act to support Community Councils. They currently have £10,000 ring-fenced to cover their administrative costs. There are 16 Community Councils and one overarching Federation of Community Councils. -Their applications for funding are considered separately from other small grants. We recommend that this continues and decisions on allocation are taken jointly between officers and the Federation of Community Councils.

Recommendation 7: The Councils rental grants should be reviewed and aligned with Asset Transfer guidance.

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 were no financial limits placed on these applications. In 2018/19 there are 17 organisations who receive rents of between £1,500 and £17,249. Those in receipt of a grant receive a quarterly grant payment which they then payback to the Council.

In January 2017 Part 5 of the Community Empowerment (Scotland) Act came into force. The Councils' revised Community Asset Transfer Framework ensures these legal duties are met and makes provision for an asset transfer on a leased or management arrangement. The implementation of the Framework is overseen by the Community Management Assessment Group. A key recommendation is that, over the next two years the members of this group review the existing rents for grants on a case-by-case basis to ensure they are making best use of their premises and meet the criteria detailed in the Act. It is also recommended that the procedure of paying out rent, then recouping it, ceases as this places an unnecessary administrative burden on the tenants and council officers.

Recommendation 8: We have more to give than just money.

The enterprising with communities group will develop an 'offer' for communities to help them sustain and enhance their activities. For example, the current rents, lets and charges are being driven by the need to generate income. -This strategy should be reviewed so that affordable lets and rents can be given to groups that demonstrate added social benefit. -The group will also look at how community groups can access council expertise and explore opportunities for joint enterprises that can generate a return on investment.

Recommendation 9: The budget breakdown for 2019-22

In 2018 Midlothian Council decided to maintain the voluntary sector grant funding at the same level of circa. £1million a year. This followed a staged reduction in voluntary sector grants from circa. £1.5million in 2015. The overall budget for grants in 2018/19 is £1 million, and the anticipated spend is £987,148.

Grant	Large grants	Large grant *excluding CABs	Small grants*	Rent grant (for council buildings)	Gala Days and PB	Total
Number of grants	27	25	99	17		
Average grant £	26,650	19,047	909	7,501		
Lowest grant £	4,000	4,000	150	1,500		
Highest grant £	121,690	54,670	3,000	17,249		
Total allocation £	719,566	476,185	90,070	127,512	50,000	987,148

Proposed budget for 2019-22

	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
Total allocation	999,892	999,892	999,892

Small and large grants by stream

	Large £	Small £
Developing Communities	120,000	20,000
Employability, Learning and Training	120,000	20,000

Health and Physical activity	120,000	20,000
Poverty	120,000	20,000
Total	480,000	80,000

Notes

*Large grant allocation will remain at a similar rate of £480,000 a year

*CAB funding and rent grants will be removed from a competitive grants process

*The small grant poverty stream funding will be spent via PB as previously approved by council

*The amount allocated to small grants will remain the same and will now include a micro grant option

*Micro grant allocation is based on the number of organisations that applied for under £500 in this financial year, micro grants do not need to specify a grants stream

*An equal amount has been allocated to the four different funding streams

Recommendation 10. The application guidance and criteria.

The guidance and criteria is based on the criteria and guidance produced in the 2014/15 grant review. The funding streams and associated outcomes remain the same. A slightly greater emphasis is placed on the Single Midlothian Plan and the priority of reducing inequalities. As a result of feedback received the application forms for the small and large grants have been reduced by about half, however, they retain the key questions that relate to the scoring criteria. New simplified guidance has been prepared for the micro grants. The conditions of grant remain the same as the conditions developed in the 2014/15 grants review.

Guidance and criteria



Applications are welcome from community groups, charities and social enterprises. To apply you must be constituted and have a bank account. If you are a new group, you will need a statement of purpose and a bank account in the name of the group.

All awards should demonstrate how they meet the priorities of the Single Midlothian Plan. The top three priorities in the plan are to reduce the gap in learning outcomes, health outcomes and economic circumstances.–Grants should fund activities that further the priorities in at least one of the five themes:

1. Adult Health and Care
2. Community Safety
3. Getting it Right for Every Midlothian Child
4. Improving Opportunities for the People of Midlothian
5. Sustainable Growth

The single Midlothian Plan is available online or in hard copy
www.midlothian.gov.uk/downloads/download/89/single_midlothian_plan

Grant funding can be used for things like:

- Volunteer expenses
- Running costs
- Start-up costs for new projects
- Staff costs
- Buying equipment

There are some activities that are not eligible for grant funding. It cannot be used to:

- Repair buildings
- Pay for religious services or religious materials
- Be spent exclusively on consultancy fees
- Pay for material that is designed to support political activity or a political party

Criteria for Micro grants of up to £500 a year

Applications for this grant will need to demonstrate how their activity will improve the quality of life for local people in Midlothian.

Criteria for Small and Large grants of up to £35,500 a year

Applicants will need to indicate ONE of the following funding streams and which of the outcomes in that stream their activity will address:

Grant Stream

Outcomes

- | | |
|--|---|
| 1 <input type="checkbox"/> Developing Communities | <input type="checkbox"/> Communities of interest and place have more capacity to act for the benefit of their community.
<input type="checkbox"/> Communities of interest and place are more resilient, cohesive and safer.
<input type="checkbox"/> Local communities are better enabled to thrive through community action, the development of social enterprise and community assets.
<input type="checkbox"/> Anchor organisations (e.g. development trusts) have improved ability to represent their local communities and deliver services.
<input type="checkbox"/> The third sector is supported to grow and is able to influence the community planning process.
<input type="checkbox"/> Key economic sectors are supported to grow. |
| 2 <input type="checkbox"/> Employability, Learning and Training | <input type="checkbox"/> Individuals are better equipped to access the labour market.
<input type="checkbox"/> The quality of life of Midlothian residents is improved through lifelong learning.
<input type="checkbox"/> Midlothian residents are better able to be successful learners and are more likely to go on to positive destinations when they leave learning. |
| 3 <input type="checkbox"/> Health and Physical Activity | <input type="checkbox"/> Individuals in Midlothian have improved health and wellbeing through participating in physical activity.
<input type="checkbox"/> Individuals in Midlothian have an increased number of affordable and accessible opportunities to engage in more healthy lifestyles (physical and mental health and wellbeing). |
| 4 <input type="checkbox"/> Poverty | <input type="checkbox"/> Vulnerable households are better able to manage their finances.
<input type="checkbox"/> Individuals experiencing financial crisis have better access to support. |

Decisions making

Grant applications will be assessed against the extent to which the project or programme of work will:

1. Meet the outcome of the funding stream
2. Address unmet need
3. Reduce inequalities, help people most in need and address the priorities in the Single Midlothian Plan
4. Be clear about what difference your project will make to the people you are working with
5. Describe how the proposal will complement or add to existing services and resources
6. Provide evidence of partnership working and how local people have been involved in the planning of the proposal
7. Provide details of how the project will be sustained beyond the grant period, and where possible how it will generate additional income
8. Promote a sense of place by connecting local people to their community
9. Be community-led and delivered by organisations with the skills and experience to deliver effectively
10. Include clear costing and timescales that demonstrate value for money

Your application will be considered by the scoring panels. You will find out by the end of December 2018 if your application has been successful.

Further Support

If you need any additional support or further information please contact.

Senior Communities Officer Stephen Bermingham

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For help with completing the application, discussing ideas or general funding support please contact:

communities.team@midlothian.gov.uk