

**Voluntary Sector Grants 2019-2022****Report by Dr Mary Smith, Director Education, Communities and Economy****1 Purpose of Report**

This report is requesting Council to approve voluntary sector awards, and variations to the administration of the 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. In 2017 Council agreed to extend the existing grants programme for 2018/19.

**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 rents budget that provides grant funding to voluntary organisations who rent council premises.

**2.3** On the 22 August 2018 Council approved a revised three years grants programme. The programme was informed by good practice from across Scotland, officers' experience of administering the existing grants programme and feedback from voluntary organisations. The new three year grants programme maintained some of the features of the previous programme and recommended a number of improvements. Key improvements included:

- 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 three year grants programme also reflected key changes in policy such as the Council's decision in May 2018 to remove Citizen Advice Bureau's from the competitive grants programme and fund this service on a different contractual basis. 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.

- 2.5 Between August and October 2018 the grants programme was open for applications. A communication and engagement plan was delivered to ensure that as many groups as possible applied. As part of this process community groups were offered bespoke support to help them apply. Particular effort was made to ensure that groups that experience barriers were supported to apply.
- 2.4 The closing date for the new grants programme was 14 October 2018. After this the grant stream leads convened grants panels to assess the applications. All grants were scored carefully against the approved criteria. Where applicants applied for more than one grant, they were cross-referenced to ensure there was no duplication in their applications. Other due diligence checks were carried out such as assessing the level of funding the applicants already received from commissioned contracts from the Council.
- 2.5 Following the scoring process the Council Leader and Deputy Leader were briefed on the proposed awards. Senior managers not involved in the scoring process then quality assured the recommendations of the panels to help ensure consistency, compatibility with policy and equity across the programme.

### 3 Report Implications

#### 3.1 Resource

The recommended awards are included in **Appendix 1** of this report. A financial analysis of the applications received and the award allocations is also included in **Appendix 2** of this report. Some key points arising from this analysis include:

- In total £5,098,546 was requested from a three years programme with a total budget of £1,737,000.
- The overall budget for competitive grant applications for 2019/20 is £579,000. The overall amount requested was £1,780,880.
- For the three year large grants the total amount requested was £4,778,919 and the total recommended is £1,390,027.
- For the large grants the developing communities stream received the most applications with 26 applications received totalling £548,908 for 2019/20. The poverty stream received the least with 9 applications totalling £172,464 for the same period.

- For the three year large grants 79 applications were received of which 40 are recommended for funding with an average recommended award of £34,751.
- For the small grants 54 applications were received and 35 are recommended for an award. The average award over a three year period is £2,938. It is worth noting that small grants will be open for applications annually so it is important to maintain some budget.
- For the community councils 16 applications were received and 16 are recommended for an award. The average recommended award over a three year period is £1,486.
- For the micro grants 34 applications were received and 16 are recommended for an award. The average award over a three year period is £1,088. It is worth nothing that micro grants will be open for applications every 6 months.

### **3.2 Proposed Contingency Fund for the Grant Programme**

The small and large grants budget for 2019/20 has an unallocated budget of £58,241. This paper proposes that the unallocated budget will be kept as a contingency fund for voluntary groups to access in exceptional circumstances.

This contingency fund will help safeguard voluntary organisations in exceptional circumstances and help sustain a vibrant voluntary sector in Midlothian. The decrease of grant funding across Scotland has made it increasingly challenging for the voluntary sector. Voluntary organisations income and reserves have reduced making them less financially resilient. Requests for support would be considered by all the grant stream leads on a case-by-case basis and recommendations will be made to the Council Leader and Deputy Leader.

### **3.3 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.

This grant funding will help sustain a vibrant voluntary sector in Midlothian. The proposed contingency fund, outlined in section 3.2 of this report, will also help mitigate against the financial risks that the voluntary sector face.

### **3.4 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

### **3.5 Key Priorities within the Single Midlothian Plan (SMP)**

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

### **3.6 Impact on Performance and Outcomes**

By supporting the voluntary sector the grants recommendations will have a positive impact on the performance and outcomes of the council.

### **3.7 Adopting a Preventative Approach**

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

### **3.8 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 new 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.

Between March and July 2018 a Grants Communication and Engagement plan was delivered to inform the new grants programme. 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 new programme.

### **3.9 Ensuring Equalities**

A full Integrated Impact Assessment was completed for the new grants programme. The assessment concluded that the revised three year grants programme will have a positive impact on equality groups across Midlothian. It is worth noting that all applications were assessed against the extent they promoted equalities.

### **3.10 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 implemented the Council's new three year grants programme. Based on the priorities of the Single Midlothian Plan and evidence of good practice the new grants programme has been redesigned to meet the changing needs of Midlothian's communities.

The grant awards recommended in this paper are a key part of the overall Council's contribution to the voluntary sector. The recommended awards will provide a level of security for the voluntary sector, whilst maintaining some budget so applications can be considered every 6 months for the micro grants and annually for the small grants. Retaining a contingency fund to support voluntary organisations in exceptional circumstances will further help safeguard Midlothian's vibrant voluntary sector. 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 local residents.

## **5 Recommendations**

- 5.1** It is recommended that Council;
- a. Approves the recommended voluntary sector awards for the period 2019 - 2022 as detailed in **Appendix 1** of this report.
  - b. Approves that the unallocated grants budget, as detailed in section 3.2 of this report, can be used a contingency fund for voluntary sector groups in exceptional circumstances.

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### **Background Papers:**

Appendix 1: Recommended Voluntary Sector Awards 2019-22  
Appendix 2: Financial analysis of Voluntary Sector Awards