

**Micro Grants Budget**  
**Report by Dr Mary Smith, Director Education, Communities and Economy****1 Purpose of Report**

This report is requesting Council to note the recommendations of the Micro Grants Programme for the funding of Third Sector organisations in 2019/22.

**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.
- 2.6 The Micro Grants are open for application every 6 months. The most recent round was advertised in February and closed on 14<sup>th</sup> April 2019.

### **3 Report Implications**

#### **3.1 Resource**

Funding available for the remainder of 2019/20 for micro grants is £2,900. There is £3,375 and £3,320 in the micro grant budget for 2020/21 and 2021/22 respectively.

The recommended awards and financial analysis of the applications are included in **Appendix 1** of this report.

### 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.

The Micro Grants Programme provides financial support to a range of local organisations, many of whom are struggling financially because of a reduction in funding. The risks for these organisations include a reduction in staff and volunteers, increased pressure to fundraise from other sources, loss of external funding leverage and a reduction in services. The Micro Grants Programme helps to mitigate against these risks.

### 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 used to assess and award all of the micro grant applications for 2019/22.

### 3.5 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.

### 3.6 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.

### 3.7 Involving Communities and Other Stakeholders

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.

### **3.8 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.

### **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 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 detailed 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. Notes the recommended micro grant awards for the period October 2019 - 2022 as detailed in **Appendix 1** of this report.

**Date** 22 November 2018

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### **Background Papers:**

Appendix 1: Micro Grants awarded 2019-22