



**Glasgow City Council**  
**City Administration Committee**

**Item 5**

**27th June 2019**

**Report by Councillor Jennifer Layden, City Convener for Equalities and Human Rights**

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### **New Grant Fund**

#### **Purpose of Report:**

This report provides an update on development of a new grant fund to replace the Integrated Grant Fund and seeks approval of proposals to take forward further development and implementation of the fund.

#### **Recommendations:**

The Committee is invited to:

- Note the report
- Note the update on progress with taking forward the 8 objectives
- Note the update on stakeholder engagement
- Approve the proposed aims for the fund
- Approve the proposed budget of £20m per annum for the next 3 financial years
- Approve the proposed budget allocation methodology

Ward No(s):

Citywide:

Local member(s) advised: Yes  No       consulted: Yes  No

#### **PLEASE NOTE THE FOLLOWING:**

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## **1 Introduction**

- 1.1 This report provides an update on the development of a new fund to replace the Integrated Grant Fund (IGF) from April 2020.

## **2 Background**

- 2.1 Members will recall that the [Council Strategic Plan 2017-2022](#) set out a commitment to “Review how we fund third sector and community groups to reflect a partnership approach and simplifying procedures”. Working with Glasgow Third Sector Interface Network (GTSIN) and other partners, a new fund is under development to replace the IGF from 1 April 2020.

- 2.2 In order to take forward the development of the new fund, 8 objectives, many of which are cross-cutting, were agreed with GTSIN as follows:

- Objective 1: to consider and determine the policy priorities for the fund
- Objective 2: to establish new funding programmes and outcomes to deliver on the policy priorities
- Objective 3: to improve access to the fund and consider eligibility criteria
- Objective 4: to consider the funding model to be used as the basis for determining how funds are allocated
- Objective 5: to examine how we can fund projects for longer than a year and how we facilitate reporting on spending
- Objective 6: to rationalise grant administration processes and procedures including consideration of e-based applications and processes
- Objective 7: to rebrand and promote the new fund to clearly convey its values and vision
- Objective 8: to develop an approach to evaluation/impact of programmes that enables sharing and replication of good practice and informed decision making

- 2.3 The next section of the report outlines progress on development of the new grant fund. It is important to note that development of a new fund is a significant undertaking and that moving to new funding arrangements not only requires intensive stakeholder engagement but also detailed planning, transition and implementation arrangements.

## **3 Current Position**

- 3.1 An update on progress is provided under the following headings:

- (a) Stakeholder Engagement
- (b) Strategic Policy Priorities and Funding Programmes (Objectives 1 & 2)
- (c) Access and Eligibility (Objective 3)
- (d) Budget, Funding Model and Funding Term (Objectives 4 & 5)
- (e) Grant Administration and Management – Processes and Procedures (Objective 6)
- (f) Communication, Publicity and Promotion (Objective 7)
- (g) Evaluation and Impact (Objective 8)

(a) Stakeholder Engagement

3.2 In line with the [Third Sector Concordat](#), council officers have been working closely with the GTSIN. This input has been valuable and, to date, the following has been achieved:

- Agreed objectives with GTSIN on development of a new fund
- Publication of a [Briefing Note](#) in November 2018 outlining the objectives
- Stakeholder engagement events with community and voluntary sector in March and April 2019
- Agreement with GTSIN of outline aims for the new fund

3.3 Three stakeholder events took place for third sector organisations in March and April 2019. Participants were asked to provide their views on a range of issues including the programmes and principles that the fund should be built around.

3.4 325 organisations attended these events, with almost 60% being current IGF grantholders.

3.5 To enable those who were unable to attend the events to still participate in the process, an invitation was extended to all third sector organisations in Glasgow to post thoughts and ideas on Twitter via the link #Grants2020.

3.6 A few points which were consistently made at all three events related to:

- The desire for flexible, long term funding, particularly 3–5 year funding
- The desire for the fund to be opened up to organisations that have not been able to apply in the past
- The need for additional support to be provided to access the new fund through capacity building resources
- The need for a clearer, more streamlined application and grant management process
- The scale of the potential impact on services and service users when the new fund comes into effect
- The scale of the task involved in creating a new fund to replace a fund which had been part of the fabric of the third sector in the city for decades

3.7 The participants who attended the events were largely supportive of the draft principles and programmes for the new fund (further detail provided below) and suggested some priorities to be included within the programmes:

- Mental health
- Homelessness
- Child poverty
- In work poverty
- Capacity building support/training/education for all

3.8 The feedback from these events was extremely valuable in helping to shape the programme focus, take soundings on general direction and gain insights from the experience of the third sector, whether IGF funded or not.

3.9 A full report from the stakeholder events will be published on the council website in due course.

(b) Strategic Policy Priorities and Funding Programmes (Objectives 1 & 2)

3.10 The development of the new grant fund has been informed by a number of key strategies and policies including:

- Community Empowerment (Scotland) Act 2015
- Glasgow City Council Strategic Plan 2017–22
- Glasgow Community Plan
- Glasgow City Integration Joint Board’s Strategic Plan for Health and Social Care 2019–22
- Development of the Financial Inclusion Strategy 2020–25
- Scottish Government National Outcomes

3.11 They have also been informed by the three stakeholder engagement events held in March and April 2019.

3.12 A number of principles are proposed to guide how the new fund would be used as follows:

- A focus on early intervention and prevention
- A focus on equalities
- A focus on innovation and initiatives that respond to emerging areas
- A focus on outcomes (rather than tasks, inputs or outputs)
- A recognition of full cost recovery

3.13 Drawing on these principles, stakeholder feedback and discussions with GTSIN, it is proposed that the new fund would be a more progressive, outcome based grant investment, delivered via programmes which provide a targeted response to key areas of the Council Strategic Plan and Community Empowerment (Scotland) Act 2015 (hereafter Act).

3.14 The draft aims of the new fund are to:

- Respond to the impact of poverty, deprivation and inequalities by supporting local residents and communities to co-design, develop and deliver sustainable services that help to create and sustain a successful city that everyone can benefit from
- Empower local residents and community groups so that they are better able to participate in the social, economic and cultural life of the city by engaging with and influencing service development, planning and decision-making

3.15 To support the draft aims, the programmes and outcomes will be developed in consultation with stakeholders.

(c) Access and Eligibility (Objective 3)

3.16 GTSIN estimates that the IGF currently funds around 10% of the city's third sector organisations and that a large majority of these have been funded via the IGF or predecessor funding for many years.

3.17 In response to comments around openness of the IGF and feedback from the stakeholder engagement events, it is intended that the new fund will be accessible to the whole of the third sector not just those organisations that have received IGF. The new grant fund will also continue to have transparency of decision making on allocation of the funding.

3.18 Although there will be opportunities for new and existing IGF funded organisations to apply to the new fund, it is clear that expectations will need to be managed, not least because funding demand is likely to greatly exceed the available funds. This will require careful consideration of the criteria for application and assessment including eligibility, budget and grant size.

3.19 Officers are in the process of working on this with GTSIN and guidance will be made available to organisations as part of the grant application process expected to be launched by autumn 2019.

(d) Budget, Funding Model and Funding Term (Objectives 4 & 5)

3.20 The following assumptions have been made in developing budget proposals for the new fund:

- The next council budget will not be agreed until around February 2020 and that this will potentially be based on a 3 year Scottish Government settlement
- That there will be a base budget available for the new fund and that this will be agreed prior to confirmation of the next council budget
- That council finances will remain under sustained pressure and proposed future arrangements would need to be able to accommodate the delivery of efficiencies, or investment, in future years

3.21 Against this background and following stakeholder engagement, it is proposed that the base budget for the new fund is set at £20m per annum over the next 3 financial years (2020/21, 2021/22 and 2022/23). It is further proposed that funding made available through the new grant fund is exclusively for Third Sector organisations.

3.22 Confirmation of this base budget is based on the following assumptions:

- An estimated saving requirement of 5% per annum has already been deducted

- Where savings of less than 5% are required, this provision would be further invested in the Fund
- Funding allocations to the Area Partnerships will be maintained at least at 2019/20 levels
- Current arrangements for the Area Partnerships to allocate funding are maintained in light of the review at 4.1 below
- A review of remaining IGF funding to the council family is undertaken

3.23 To allocate the fund, a funding distribution model is proposed to ensure that the budget is allocated and distributed appropriately to reflect the needs and priorities of communities of place, interest or identity. This model has identified local area deprivation and inequality indicators to allocate funds based on need.

3.24 The model has been developed using a number of different and up-to-date indicators including but not limited to the following:

- Poverty  
Scottish Index of Multiple Deprivation (SIMD), 5% Most Deprived Data Zones in Scotland 2016
- Income  
Income Deprived Population, SIMD 2016
- Employability  
Employment Deprived population SIMD 2016
- Child Poverty  
Children in families in receipt of Child Tax Credits who earn below the 60% median income
- Education  
School leaver average attainment level
- Health  
Estimated life expectancy
- Loneliness and Isolation  
NHS Greater Glasgow & Clyde Health & Wellbeing Survey
- Population  
Mid-Year population estimates

3.25 The effect of using this model is that the current actual allocations of existing IGF of 59% for sectors/areas and 41% for citywide would become 70% for sectors/areas and 30% citywide. Details of the funding model calculations is provided in **Appendix 1** to this report.

(e) Grant Administration and Management – Processes and Procedures (Objective 6)

3.26 Work is underway to develop grants administration processes which are proportionate to the sums involved but which are also efficient to administer for both applicants and the council.

3.27 Whilst considerable progress has been made in getting to this stage, significant work remains to be done. This includes developing applications and guidance,

setting reasonable application timeframes, making an open call for applications, developing assessment criteria, making recommendations, decisions by this Committee (and Glasgow Community Planning Partnership) and making awards.

- 3.28 Alongside this, consideration is being given to e-based systems that will streamline the application, assessment, payment and monitoring processes. As well as user assurance testing as part of any new system rollout, significant support would be required for organisations in using any new system that was introduced.

(f) Communication, Publicity and Promotion (Objective 7)

- 3.29 It is important to convey the aims and objectives of the new fund as well as providing evaluation findings and case studies which illustrate the difference the fund is making.

- 3.30 Officers are currently working on a communication strategy that includes the launch of the new programme and timetable. It will also include Frequently Asked Questions and briefings for applicants as required.

(g) Evaluation and Impact (Objective 8)

- 3.31 It is important that the council is able to evaluate the impact of the new fund and that the requirement for monitoring information to evidence this is proportionate to the level of funds involved. Work is at an early stage in developing the evaluation framework for programmes within the new fund.

- 3.32 At a programme level, both the council and grantee would wish to know whether the programme and outcomes were having the desired impact so that future investment can be better informed and directed. This would also enable good practice to be shared.

#### **4 Decision Making Process**

- 4.1 There is currently a review of Sector and Area Community Planning Partnerships which may result in changes to the governance framework. It is proposed to continue with existing arrangements for allocation of CPP funding until this review is completed.

#### **5 Capacity building support**

- 5.1 This Committee on 21 March 2019 recognised that changes to funding arrangements may create uncertainty for currently funded third sector organisations and that it was important to take time to plan for the introduction of a new fund and to put in place appropriate measures.

- 5.2 The Committee agreed to make provision of £359,792 for additional capacity building support, for example, for organisations which require assistance with

winding down projects at the end of their IGF funding or require support with business development.

- 5.3 Discussions are underway with partners (including GCVS and CEiS) regarding the delivery of the currently funded IGF capacity building support programme to IGF funded organisations in 2019/20. This programme will inform the development of plans for use of the additional provision to ensure that these complement the existing programme.

## 6 Equality Impact Assessment

- 6.1 As work progresses on the new fund, a full Equalities Impact Assessment (EQIA) will be required. A small working group of council and third sector colleagues has been formed to guide and provide input to this.
- 6.2 An initial meeting of the group took place, which confirmed that further details of the proposed funding programmes would be needed to complete a full EQIA. However, it was agreed that a short screening about the grant development process would be helpful and this is being developed. A full EQIA will be carried out on the application and assessment criteria. At this stage, there will be specific consultation with third sector equality organisations, although a number of those have already participated in the Stakeholder Engagement events outlined in section 3 of this report.
- 6.3 Whilst it is inevitable that some previously funded organisations will no longer receive the same level of funding, the principles outlined in section 3 of this report along with published criteria should ensure that organisations working with equalities groups and the most vulnerable are treated fairly.

## 7 Policy and Resource Implications

### Resource Implications:

*Financial:* Outcomes will be maximised through targeted use of resources and joint working and resourcing with partners

*Legal:* No new legal issues

*Personnel:* No direct personnel issues

*Procurement:* There are no procurement implications

**Council Strategic Plan:** The proposal supports all core objectives of the council plan

It is envisaged that the proposal will contribute to objectives: 21, 27, 42, 52, 75, 86.

## **Equality and Socio-Economic Impacts:**

*Does the proposal support the Council's Equality Outcomes 2017-22* Yes the proposal has the potential to impact on the council Equality Outcomes in relation to the following Improvement Aims:

- Improve economic outcomes for people with Protected Characteristics; and
- Improve access to council Family Services by people with protected characteristics

*What are the potential equality impacts as a result of this report?* No impacts identified at this stage. An EQIA will be prepared during development of the funding programmes

*Please highlight if the policy/proposal will help address socio economic disadvantage.* It is anticipated that future funding recommendations will have a positive impact on third sector jobs, skills, local communities, social and community cohesion

## **Sustainability Impacts:**

*Environmental:* The funding review will support organisations to consider issues around environmental sustainability

*Social, including Article 19 opportunities:* It is anticipated that future funding recommendations will have a positive impact on third sector jobs, skills, local communities, social and community cohesion

*Economic:* It is anticipated that future funding recommendations will have a positive economic impact on local communities across Glasgow

**Privacy and Data Protection impacts:** No privacy or data protection impacts have been identified

## **8 Recommendations**

The Committee is invited to:

- Note the report
- Note the update on progress with taking forward the 8 objectives
- Note the update on stakeholder engagement
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- Approve the proposed budget of £20m per annum for the next 3 financial years
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