Education, Children and Families Committee

10:00 am, Monday, 18 December 2023

Connected Communities Edinburgh Grant Programme

Executive/routine
Wards

1.   Recommendations

1.1   The Education, Children and Families Committee is asked to:

1.1.1   Approve the recommendations for the award of the Connected Communities Grant Programme budget of £3,519,461 to 70 community-based organisations.

1.1.2   Note the process that informed the recommendations for awards.

1.1.3   Approve plans to:

1.1.3.1   engage with current grant holders to review exit plans, and use this information to inform the Integrated Impact Assessment (IIA),

1.1.3.2   mitigate the impact of stopping or reducing funding to organisations, by supporting individuals to access other appropriate services,

1.1.3.3   continue to monitor and report on outcomes achieved via the current grants programme, and use this information to support transitions, and

1.1.3.4   continue to enhance the strategic relationship with the statutory and voluntary sector, ensuring at least one annual meeting takes place.

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Report

Connected Communities: Edinburgh Grants Programme

2. Executive Summary

2.1 This report provides an overview of the actions which informed recommendations for awards for the Connected Communities Edinburgh Grants Programme. It covers the process from the programme opening, application assessment, the moderation process, and the interim Integrated Impact Assessment (IIA). It contains financial information about which organisations are recommended for funding.

3. Background

3.1 The 2020-23 Grants Programme ends on 31 March 2024, following ECF Committee approval of a seven-month extension. City of Edinburgh Council committed to delivering a new grants programme with the same budget. Connected Communities additionally includes contributions from statutory partners, NHS Lothian and Police Scotland.

3.2 Following City of Edinburgh Council approval on 28 September 2023, the new Connected Communities Edinburgh Grants Programme opened for applications on 4 October 2023.

3.3 LAYC and EVOC are fundamental to a new partnership approach to the grants, and to developing and sustaining ongoing relationships between organisations and statutory partners.

3.4 Organisations were invited to apply for a grant of £10k minimum and £100k maximum per year to one of three Funding Strands. Each Funding Strand has a focus on benefitting children, families and communities impacted by poverty. Grants are for local organisations providing direct service delivery. Organisations were invited to apply under one Funding Strand only.

3.5 A pre-application checklist asked organisations to confirm they met the eligibility criteria a) based in Edinburgh b) hold charitable status, and c) annual income under £2 million. Answering 'NO' to any of these questions rendered the organisation ineligible, or eligible only for a grant capped at £25k over three years if not a charity and not for profit. Seven organisations contacted the Connected Communities mailbox in advance of submission, enquiring about their eligibility.

3.6 For robust governance, a separate Managed Fund with a separate application and criteria was created to support the local intermediary organisations LAYC and EVOC (City of Edinburgh Council, 28th September 2023). It would be unethical for them to be in competition for funding with the organisations they support. It also ensures their grant purpose is specific and distinct from local direct delivery organisations. In previous Third Sector Revenue Grants programmes, this distinction was not made.

3.7 The budget allocated to the intermediary organisations equates to £200,000. This reflects the amount they are currently in receipt of, to continue to provide advice, support, training for the sector, participation in community planning, support for community wealth building. It also takes account of the additional ongoing work to build and sustain stronger partnerships, and to ensure lessons learned from the previous grants programme are maintained throughout the 2024-27 Connected Communities programme. This is a strategic development which has been welcomed by the sector.

4. Main report

The Application Scoring Process

4.1 The Connected Communities Edinburgh Grants Programme Application Pack was released on 4th October. Despite tight timescales, organisations were given a full four weeks to complete their application, with a deadline of 12 noon on 1st November. Three separate application packs were released – one for each Funding Strand. All packs included part A, B and D, a financial section (part C), guidance notes, the scoring matrix, and the pre-application eligibility checklist.

4.2 Part C was removed from the Assessor Panels' pack, to ensure a strict segregation of duties. This meant Assessors scored the quality, identified need and delivery plans, independently from the cost. This also eliminated bias while assessing the value of an application. This approach ensured no confidential financial information was seen by officers quality assessing applications.

4.3 92 organisations applied to Connected Communities: Edinburgh's Grant Programme. 3 applications were submitted late and could not be accepted. The overall amount requested by 89 applications was £5,575,654 per annum, equating to £16.7m over three years for an available budget of £10.1m.

4.4 Distribution and value of eligible applications received:

| All Streams ▼	Value		No of Applicants	Average Value
Total CW	£3,000,040		47	63,831
Total NE	£740,415		13	56,955
Total NW	£647,336		9	71,926
Total SW	£579,401		10	57,940
Total SE	£143,003		2	71,502
Total NW & SW	£72,828		1	72,828
Total NW & NE	£184,847		4	46,212
Total SW & SE	£62,201		1	62,201
Total SE & NE	£145,584		2	72,792
	£5,575,654		89	62,648

All Applications All Strands All Localities
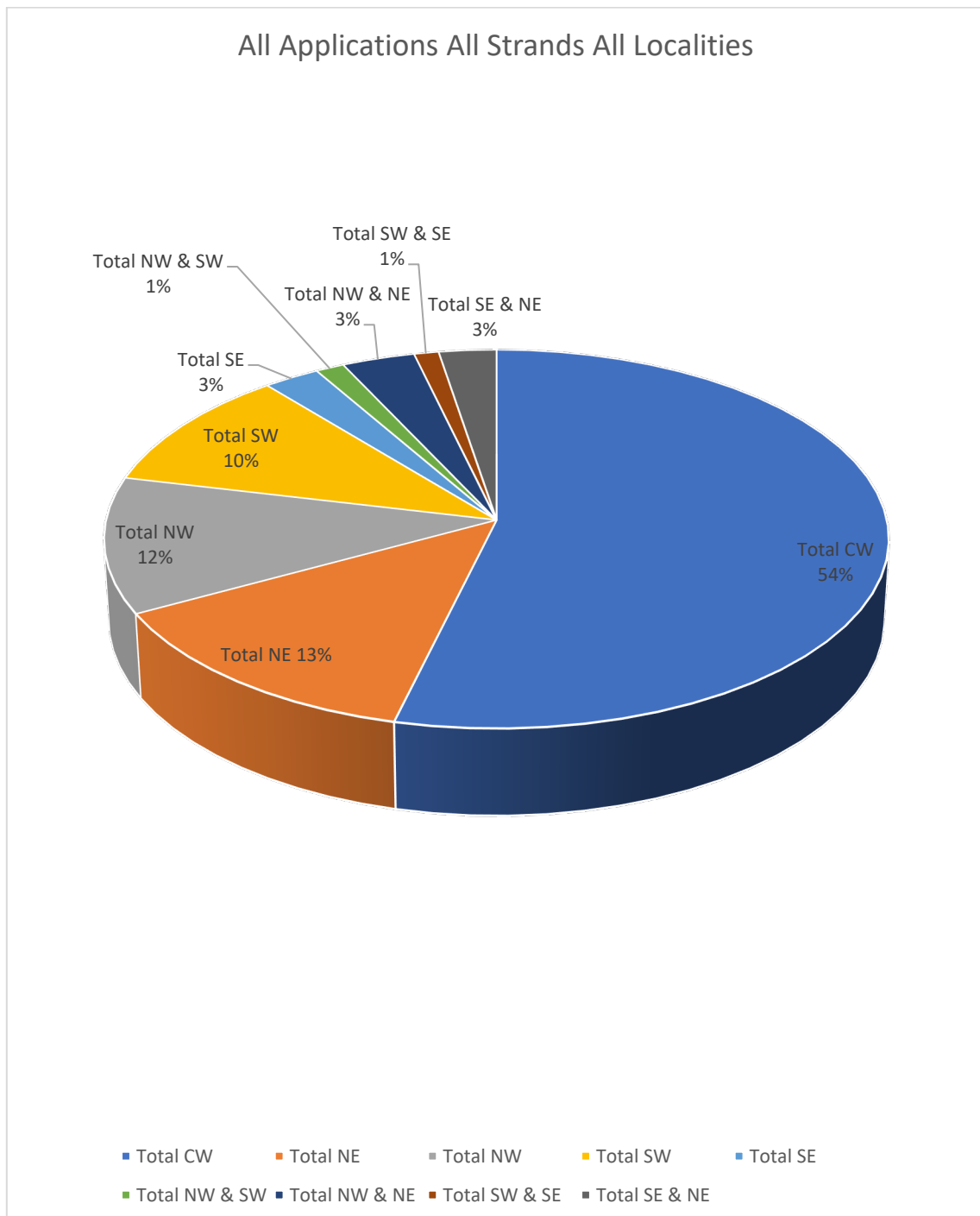
4.5   For comparison, 196 applications (of which 186 were taken forward for assessment) were submitted to the previous Third Party Revenue Grant Programme (2020 – 2023), seeking funding in excess of £26m over the three years for an available budget of £10.1m.

4.6   Applications to Connected Communities were scored by 13 paired teams of trained assessors. Assessors were nominated by managers and drawn from CEC and NHS. They have a good working knowledge of the city, local priorities, and needs. This allowed for diversity and professional knowledge in each pair of assessors, who scored their allocated applications independently.

4.7   Prior to receiving their assessment pack, assessors attended a training session. Two group sessions and few other 1:1 sessions were delivered. The assessment training slides covered the scoring matrix, the background to the programme, the funding strands (City of Edinburgh Council, 28th September 2023) and the role and responsibility of assessors. All assessors were reminded to score the application quality only, based on what was presented in the Form and without drawing on existing knowledge of the organisation. A good understanding and knowledge of the community needs and the local context, however, was paramount.

4.8   Prior to scoring, assessors were required to declare any financial and non-financial interest in the organisations. Four conflicts of interest were declared, and applications were then allocated to different assessors.

4.9   Assessors were reminded of the tight timescales and asked to prioritise this work. All Assessments were completed within two weeks, by 23rd November 2023. All scores were checked and entered onto the master tracker, and the data was analysed to ensure fair treatment.

4.10   Individual commissioning officers then reviewed all pairs of independently scored assessments together, alongside Part C (financial section). The role of the third assessor included reviewing the comments and scores of the 2 assessors for consistency or variances. This third assessment highlighted any incongruities or similar patterns of scoring; scrutinised the cost breakdown and noted the commitment to paying the Real Living Wage. The complete overall assessment included all the above information, plus any other comments worth highlighting to the Moderation Panel for discussion.

Moderating the Scores and Ensuring the Fairest Recommendations

4.11   All overall assessments were checked and recorded in the master tracker to allow an initial consideration of the funding allocation. It was immediately evident that the quality of applications was high, and most assessors scored their allocated applications similarly. In a minority of applications (18), there were inconsistencies between the scores given by each assessor. This potentially impacted on where these organisations' scores fell within the overall ranking. To balance this, a digital 'third assessment' was applied to all scores. The average highest score across all assessments provided the metric for applying a third score to every application. This created an equitable uplift for all proposals.

4.12   This meant that 8 applications were lifted from the 68-84% range into the 85–89% range of scores, and 10 organisations were lifted from the 85-89% range into the 90-94% range.

4.13   Once the final scoring as described above was completed, the next step was to determine at which percentage points full awards and partial awards could be recommended within the overall available budget.

4.14   In advance of the moderation meeting and to provide a starting point with clear information for the moderators, officers ran through several scenarios. The aim was to ensure the budget could go as far as possible, and to ensure as much of the identified need and geographical spread could be addressed through full or partial funding. This process recognised that the top scoring applications should be awarded the full amount requested, in recognition of their excellent understanding of local need, the intended interventions and the high-quality applications.

4.15   The first step was to rank all organisations' scores in descending order.

        The chart below shows the final percentage scores for all applications, with scores over 85% recommended for funding reflecting the high bar of overall scores.

Total Application Scores

25%

75%

■ Above 85%   ■ Below 85%
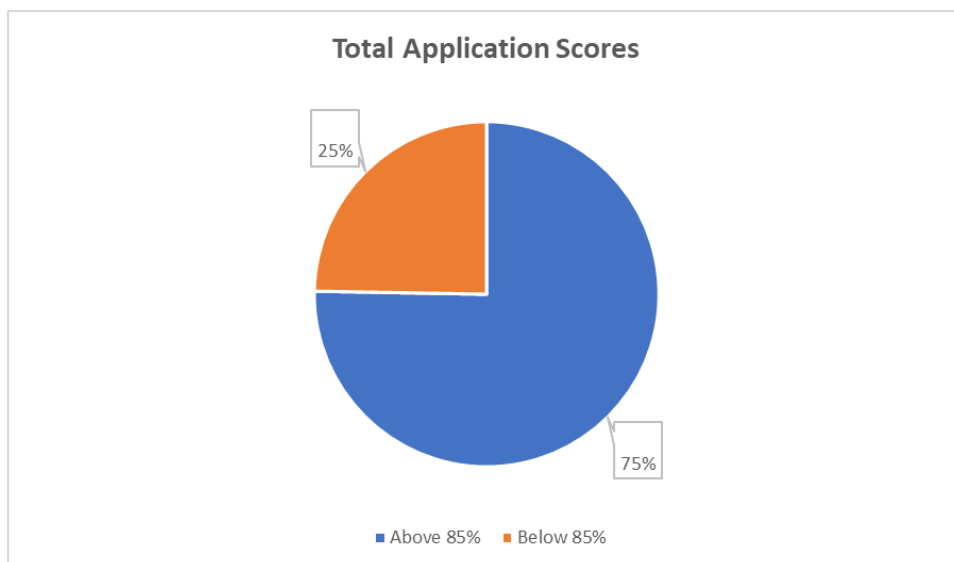
4.16   In the first scenario, awarding full funding to the top scorers (within 15 points of 100% (85% - 100%) would have required £1,107,856 more than the available budget, if recommending a full award.

4.17   In the second scenario, awarding full funding to the top scorers within 10 points of 100% (90% – 100%) would have exhausted the budget without addressing the balance of equality across Funding Strands and Localities.

4.18   The first two scenarios do not address the lessons learned in relation to failings in the previous grants programme. There was strong criticism of a red line being drawn at the point in the list of the applications where full funding was allocated. This approach used all the available budget, and therefore no money was left for other needs across the city. The mitigation for this failing was to award funding to several other organisations at an additional budget of £ 473k per year, creating a funding pressure that was carried forward over three years. Exceeding the

Connected Communities budget is not an option and therefore a more nuanced and sophisticated approach is required.

4.19   In the third scenario, awarding full funding to the top scorers within 5 points of 100% (95% - 100%) and partial at 75% funding to the scorers within the next 5 points (90-95%) would have nearly exhausted the budget, leaving some communities and minority groups with little or no funding at all. This option was also rejected on the same basis of lesson learned on the failings of the previous programme.

4.20   To assist the Moderation Panel, officers explained the first three scenarios (above) and worked up a 4th scenario as a starting point. This enabled the Moderation Panel to consider the implications of their recommendations and to look at how the funding would achieve best value and greatest reach. Given the applications received exceeded the budget by £2.3m per annum, the Moderation Panel was faced with challenges which would result in compromises. Their role was to represent the sector and to work with the data to make final recommendations for awarding funding.

Options and Recommendations for Funding

4.21   The Moderation Panel comprised of EVOC and LAYC representatives and an independent Chair[1]. They met on 30th November 2023, and for transparency, two CEC colleagues were present to provide operational support to the process and help the moderation panel see the implications of different potential recommendations. NHS colleagues were invited to observe the process but declined, due to other work commitments. Managers with responsibility for Connected Communities were not part of the Moderations Meeting, other than to set the scene, demonstrate the scenarios and answer initial questions. They committed to respecting the recommendations of the Moderation Panel and presenting them faithfully to Committee.

4.22   The independent Chair acknowledged the neutrality of all involved in the moderation process. The ability of third sector representatives to think innovatively of solution-focussed approaches was also praised. Overall, the moderation process was recognised as best practice in its *objectivity with knowledge* of the need in the community.

4.23   The final recommendation considered partial awards as the best option to address the need which was then submitted to the Moderation Panel for review and approval. Officers recommended the below success matrix, which provided for a remaining £698,537 to distribute for discretionary, exceptional circumstances.

Score	Number impacted	Award Recommended (%)
95 -100%	22	100%

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[1] The Independent Chair was formerly a Director of Children's Services, a Head of Education, and President of the Association of Directors of Education Scotland. They have been involved with a range of national groups, notably on Curriculum for Excellence, Outdoor Education and Looked Ater Children.

90-94%	29	60%
0-89%	38	< 40% Discretionary – exceptional circumstances.

Awards Recommendations Based @ 100% and 60% of the funding requested		£3,319,461
No of Applications	Funding Strand	**Funding Allocation**
9	Strand 1	£430,792
26	Strand 2	£1,390,659
16	Strand 3	£799,473
51	Total	**£2,620,924**

4.24   The impact of unsuccessful applications on poverty and protected characteristics in each funding strand and each community was explored by the Panel, who went through many more scenarios to measure the cumulative impact on the budget, on the service delivery, on organisations for whom the funding is critical to survive.

4.25   Consideration was given to the disproportionate number of applications for funding strand 2 (Health and Wellbeing) compared to those in funding strand 1 (Learning Outcomes) and funding strand 3 (Youth Work). As stated in the Committee report, consideration was given to whether a different weighting or a cap could be applied to each strand, to allow a wider and more diverse spread of all services across the city.

All Applications per Funding Strand

19%
30%
51%

■ Funding Strand 1   ■ Funding Strand 2   ■ Funding Strand 3
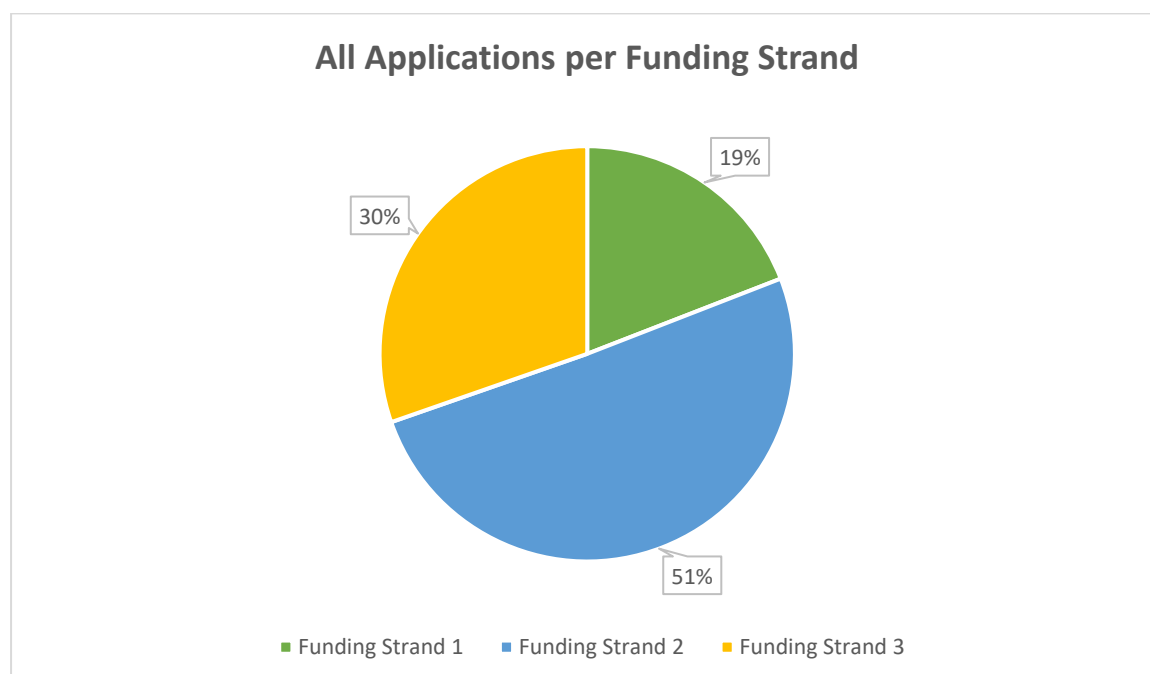
Through discussion, the Panel agreed this would not be fair to organisations who were asked to describe the need they had identified in their communities and how they would propose to meet such need. Agreement was reached that if the need

leaned substantially towards health and wellbeing intervention, then it would be important to acknowledge it. Connected Community Edinburgh Grant Programme is a delegated model that empowers organisations.

4.26 The outcome of the Moderation Panel was different from the original recommendations made by officers:

Score	Number impacted	Award Recommended (%)
95 -100%	22	100%
90 -94%	29	70%
85%-89%	17	50%

Funding distribution prior to moderation meeting

All Awards	No of applicants	Value	Ave Value
Total CW	24	£1,402,747	£58,447
Total NE	10	£434,760	£43,476
Total NW	6	£312,739	£52,123
Total SW	8	£326,796	£40,849
Total SE	0	£0	£0
Total NW & SW	1	£43,697	£43,697
Total NW & NE	1	£38,024	£38,024
Total SW & SE	1	£62,201	£62,201
Total SE & NE	0	£0	£0
Total	**51**	**£2,620,964**	**£51,391**

Funding distribution post moderation meeting and recommended for award.

All Awards	No of applicants	Value	Ave Value
Total CW	34	£1,732,146	£50,945
Total NE	12	£536,121	£44,677
Total NW	7	£370,171	£52,882
Total SW	8	£360,546	£45,068
Total SE	2	£71,502	£35,751
Total NW & SW	1	£50,980	£50,980
Total NW & NE	2	£56,505	£28,253
Total SW & SE	1	£62,201	£62,201
Total SE & NE	1	£58,859	£58,859
Total	**68**	**£3,299,031**	**£48,515**

4.28 The rationale for the decisions of the Panel lies in the need to address the widespread degree of poverty across the city. The consideration of partial awards is

consistent with the discussions around flexibility during the engagement sessions with the sector.

Officers and partners acknowledge the high need for supporting the community and voluntary sector as much as the budget allows and trust that the partial awards will help building capacity to access other funding streams, whether CEC, NHSL or other funders.

4.29 The partners are aware that most of this grant funding will be utilised for core costs. As such, we have looked in the first instance at those organisations and communities for whom the funding is critical. In the second instance, at those for whom the funding is important. Although scoring lower, those applications needed to be considered under exceptional circumstances.

4.30 All unsuccessful applications were scrutinised to a high degree of detail. All priority answers were looked at and exceptionality criteria applied to ensure protected characteristics were represented and prioritised. One application was considered in this group and awarded 50% of their request.

4.31 The partnership is confident that the recommended model meets the needs across the city and is the most balanced distribution of the available budget. Although it might be argued that the model has increased the number of relative losers, it certainly has reduced the number of absolute losers, helping to maintain and nurture a vibrant third sector landscape that represent the communities and their needs.

5.   Next Steps

5.1 Pending Committee approval, the recommended grants will be awarded to the successful applicants for three years, from 1 April 2024 to 31 March 2027.

5.2 Relevant financial checks are being undertaken for those organisations recommended for award. While these checks are largely complete, payments to each of the organisations recommended for funding will be subject to satisfactory resolution of a small number of outstanding clarifications.

5.3 Officers will engage with unsuccessful applicants and provide feedback on their application.

5.4 Officers will complete the Interim Integrated Impact Assessment, including analysis of the impact of the awards, and identifying actions to mitigate any negative impacts. This will result in a final Integrated Impact Assessment.

5.5 Monitoring the new Connected Communities grants programme will begin on 1 April 2024. This will include:

- changes to the grant monitoring template, making it more robust, streamlined and with a greater emphasis on partnership working. Monitoring will also capture information and data in a consistent way,

- an annual review with scope for changes to be made to reflect changes within the target community and/or the impact of the work,

- the allocation of Strategic Senior Monitoring Officers to the Managed Fund intermediary organisations, enabling more focussed discussions around future strategy and capacity building, and

- continuous oversight of lessons learnt, with regular updates provided to the Executive Director and Education Children and Families Committee throughout the life of the grants programme.

6.   Financial impact

6.1   The budget for Connected Communities Edinburgh approved by City of Edinburgh Council on 28th September 2023 is £3,519,461.

6.2   The breakdown of the recommended awards equates to the below:

6.2.1 £1,348,171 for 100%

6.2.2 £1,484,879 for 70%

6.2.3 £465,978 for 50%

6.3   An option for the remaining £20,433 would be the allocation of funding to South-East Locality, which is under-represented. There would also be potential to increase funding to this locality negotiating with the organisations who are able to deliver direct work in the South-East.

6.4   In relation to inflationary increase, organisations were asked to calculate the average annual payment based on the figures submitted for the three years, to make provision for 2.5% annual increase. The application is however based and funded on Year 2 costs, resulting in an overpayment in Year 1 to be ringfenced and carried forward for inflation increase in Year 3. This mechanism allows for inflationary uplifts to be built in at the time of the funding request and does not impact on the programme budget.

7.   Equality and Poverty Impact

7.1   Connected Communities Edinburgh Grants Programme focuses on addressing poverty and enhancing equalities. Specific questions were asked of all applicants and scored through a poverty and equality lens across all three funding strands.

7.2   The Moderation Panel held between the first IIA and the second IIA meeting has helped identify cumulative impacts and mitigation measures. The proposed model mitigates the impact in each community.

8.   Climate and Nature Emergency Implications

8.1   If any are identified, the IIA will capture and mitigate impact.

8.2   As part of the application process, each Connected Communities applicant was invited to comment on how they might support climate and sustainability.

8.3 Monitoring Officers will work with organisations throughout the life of the programme to identify and implement changes which could support moves towards becoming a net zero city.

9. Risk, policy, compliance, governance and community impact

8.1 The Moderation Panel met between the first IIA and the second IIA meeting. It has supported the identification of cumulative impacts and the consideration of the funding allocation. The proposed model mitigates the impact in each community. The risk mitigation measures will continue to be considered in the ongoing assessment that will be published by 31st March 2024.

10. Background reading/external references

10.1 City of Edinburgh Council, 28th September 2023

11. Appendices

11.1 Appendix 1   Heat map showing the current distribution of funding (Third Party Revenue Grant Programme)

11.2 Appendix 2   Heat map showing the applications received (Connected Communities Edinburgh Grant programme)

11.3 Appendix 3   Comparison data (B-Agenda)

11.4 Appendix 4   Recommended Awards – Funding strand 1, 2, 3, Managed Fund (B-Agenda)