

CARES CASE STUDY



LOCAL
ENERGY
SCOTLAND

MICRO-GRANT SCHEMES



Public meeting in Contin to discuss transport issues following cuts to bus services.

OVERVIEW

Micro-grants – small amounts of money awarded to support small-scale activities in a community – are one method of distributing community benefit funding. Micro-grants are usually run by community councils or other local representative bodies under arrangements with the fund donor or fund administrator.

This case study defines micro-grants and their intended purpose. It outlines some of the administrative and governance arrangements commonly used to operate a micro-grant scheme and looks at some the benefits of such schemes.

It also looks at lessons learned through Foundation Scotland, an experienced and independent body that specialises in administering, supporting and enabling community benefit funds.

Micro-grant schemes are now an established component in a significant proportion of community benefit funds that Foundation Scotland manages. The micro-grant model evolved out of Foundation Scotland's early community benefit work in 2005/2006 and now features in many communities who receive community benefit funds. Scottish and Southern Energy, for example, also adopt the micro-grant model in many of its community benefit funds.

LOCALENERGY.SCOT
0808 808 2288
FUNDED BY THE SCOTTISH GOVERNMENT



Greener
Scotland
Scottish
Government

CARES CASE STUDY



LOCAL
ENERGY
SCOTLAND

As of 31 March 2020, 74 micro-grant schemes were in operation across 27 community benefit funds administered by Foundation Scotland, reaching 102 community council areas (8.5% of all areas in Scotland). During the 12 months to 31 March 2020, £172,435 was made available through these schemes. On average, £2,384 was provided per micro-grant scheme, though the largest scheme saw £10,000 provided and the smallest £300.

MICRO-GRANTS: DEFINITION AND PURPOSE

Micro-grants are small amounts of money awarded to individuals and groups to implement an activity or project which will be of benefit to the community. Thresholds vary, but schemes supported by Foundation Scotland usually operate with a cap of up to £250 or £300 for individuals, and up to £500 for formal or informal groups (those with or without a constitution).

Micro-grants provide a mechanism for small-scale and rapid grant making to groups and individuals who otherwise may not seek, or be eligible to apply for, other funding sources (including any main community benefit fund). A micro-grant scheme can broaden the impact of community benefit monies across a community by supporting, for example:

- the activities of small, informal (un-constituted) groups who provide valuable services or activities (eg lunch clubs or friendship groups)

- individuals undertaking specialist training (eg in music or athletics), fostering local talent
- participation (including travel) of community members to represent their community at regional or national events, or in activities not available in the local community
- individuals or small groups with an idea they wish to test or try out such as a dance class or parent and baby/toddler group.

The scheme is administered by a local organisation, often the community council or a similar representative body. That organisation is accountable for the operation of the micro-grant scheme to the overall fund donor and/or administrator.

Micro-grant schemes operated through Foundation Scotland will be aligned to the overarching community benefit fund, therefore micro-grant awards will need to be in line with the aims or purposes of that fund.



LOCALENERGY.SCOT
0808 808 2288
FUNDED BY THE SCOTTISH GOVERNMENT



Greener
Scotland
Scottish
Government

CARES CASE STUDY



LOCAL
ENERGY
SCOTLAND

SCHEME ARRANGEMENTS

The proportion of the overall community benefit fund allocated to a micro-grant scheme will vary but is commonly between five and ten percent of the overall annual fund value. The amount is normally set out in a written agreement between the administrator or provider of the main fund and the community council (or other local representative body) that will administer the scheme.

The organisation administering the scheme is asked to promote it widely and encourage applications from across the community. This might be done via local newsletters, posters on noticeboards, social media and relevant local websites.

The organisation running the scheme also decides on the format in which it will accept applications. This could take the form of a simple letter or form. Applicants must state how much they are applying for, what they plan to spend the grant on, and how this would benefit the community. Simplicity is important, and normally the organisation running the scheme will not request quotations verifying costs but may ask for receipts or invoices as evidence of grant expenditure after an award is made.

Micro-grant schemes often operate on a rolling basis with award decisions made perhaps monthly. This is more frequent than is usually the case for award making under other funds including any main community benefit fund.

Many community councils running micro-grant schemes establish a sub-group to consider micro-grant applications outwith public community



council meetings. These decisions are then ratified by the full community council. Whatever the arrangement, good practice in declaring and managing conflicts of interest should apply. The local body running the scheme may apply for or award itself a micro-grant, but this should not be at the expense of other groups seeking an award.

Under micro-grant schemes operated with support from Foundation Scotland, the organisation running the scheme is expected to submit a report at the end of each funding year. This will give brief information on awards made, applications rejected, and how the micro-grant scheme has been promoted. Funds to run the micro-grants scheme in each subsequent year will normally be released once a satisfactory report has been provided and approved by the local decision-making body that oversees all fund distribution (ie the fund donor or other fund administrator). It is also expected that micro-grant scheme funds are clearly identified in the accounts of the local organisation administering them.

LOCALENERGY.SCOT
0808 808 2288
FUNDED BY THE SCOTTISH GOVERNMENT



Greener
Scotland
Scottish
Government

CARES CASE STUDY



LOCAL
ENERGY
SCOTLAND

BENEFITS OF MICRO-GRANTS

Accessibility

In most communities there are informal non-profit groups and individuals seeking to carry out small-scale activities that will benefit their community. These activities may play an important role in bringing the community together and encouraging pride in the local area. Many of these groups wish to continue operating in this way, having no desire to formalise by adopting a constitution, for example. A micro-grant scheme is therefore an efficient and effective way of making funding available to such groups or individuals who may not otherwise be able to access funding. Micro-grants operate well when they are easy to apply for, again suiting individuals and small groups run by volunteers.

Some examples of how un-constituted groups have accessed micro-grants include:

- Make Stow Beautiful in Scottish Borders was awarded £250 towards the costs of plants and planters for the village from EDF Renewables Longpark Community Fund.
- Coalburn Gala Committee in South Lanarkshire was awarded £200 towards the costs of trophies and medals from Ventient Galawhistle Community Fund.
- Lairg Lunch Club in Sutherland was awarded £150 towards the annual Christmas lunch through Lairg Wind Farm Community Fund.



- Bridge of Earn Girl Guides in Perthshire was awarded £143 towards coach hire for trips, funded by RWE Lochelbank Wind Farm Community Fund.

Examples of how individuals have used micro-grants include:

- £250 each to two individuals to participate in martial arts (karate, judo) events through Ventient Galawhistle Community Fund
- £250 towards participation in a drama course through E.ON Camster Community Fund
- £100 towards the costs of holding a public meeting to discuss plans and seek support for a new bike pump track in the village of Stow from EDF Longpark Community Fund.

A case study demonstrating the range of groups and activities that micro-grants have supported is provided on the [Foundation Scotland website](#).

LOCALENERGY.SCOT
0808 808 2288
FUNDED BY THE SCOTTISH GOVERNMENT



Greener
Scotland
Scottish
Government

CARES CASE STUDY



LOCAL
ENERGY
SCOTLAND

Flexibility and responsiveness

As they involve distributing small amounts of money, micro-grant schemes intend to administer funds in a light-touch manner. Awards can also be made at a frequency determined by the local body distributing them, as well as in response to local demand. As such, they can be used flexibly and in response to emerging needs at short notice.

During the COVID-19 pandemic in 2020, micro-grants proved to be an effective mechanism for rapidly distributing funding to many groups responding to local needs. Foundation Scotland, for example, provided additional micro-grant funding in several communities to support communities' increased needs including relief for the vulnerable, self-employed and key workers.

Among the emergency response activities supported were:

- Establishing a food bank in Contin, Ross-shire, providing help to vulnerable residents in need and picnic bags providing a treat for children, funded by the EDF Renewables' Corriemoillie Community Fund.
- Funding the purchase of materials for Sanquhar Patchwork Group and Sanquhar Sewing Bee, Dumfriesshire to make face masks for use by local volunteers and carers, funded by SSE's Clyde Wind Farm (Dumfries and Galloway) Community Fund.



- Delivering Easter eggs and cards to all residents in Reston and Auchencrow, Scottish Borders, with information about local sources of help available, funded by the Greencoat's Drone Hill Community Fund.
- Producing a special edition of the Nithsdale Times, Dumfriesshire, providing residents with information about local support, funded by Arevon's Whiteside Hill Community Benefit Fund.

Another example of operating flexibly in response to locally identified needs is in Strathpeffer and Contin, neighbouring community councils in Ross-shire. Each holds their own micro-grant fund and in 2020 came together to address transport issues affecting both communities. Micro-grants paid for the costs of a public meeting, and later the community councils went on to commission feasibility work with a grant from the main community benefit fund.

LOCALENERGY.SCOT
0808 808 2288
FUNDED BY THE SCOTTISH GOVERNMENT



Greener
Scotland
Scottish
Government

CARES CASE STUDY



LOCAL
ENERGY
SCOTLAND

LESSONS LEARNED

Micro-grants provide a simple and accessible way to distribute small amounts of funding to individuals and groups who may not be able to benefit from other sources of funding.

In Foundation Scotland's experience, however, running an effective micro-grant fund requires attention to several factors. These include:

- Good ongoing communication and relationship building between the organisation providing/administering the main community benefit fund and the local organisation running the micro-grant scheme. The latter tends to be run by volunteers, perhaps with some small amount of paid secretariat support, who may change over time. It is important that these people understand the micro-grant scheme's terms and conditions and that they are offered support and guidance on running it. It's also important that they account for and report on the use of micro-grants in a proportionate way.
- Sufficient promotion at local level. The availability of micro-grants needs to be advertised through a range of channels; a poster on a local noticeboard or mention in the community council's minutes alone are unlikely to be enough. Communities should think about the channels that young people use, for example, such as social media, schools or youth groups, as well as the kind of language that will best resonate with the audience.
- Clear and simple application and reporting processes and requirements. These should be light touch and in proportion to the amount of funding being sought.
- Clear processes for dealing with conflicts of interest and ensuring that decision making is transparent, while protecting privacy. Organisations distributing micro-grants usually have a membership which includes people who are active volunteers in the community, often with multiple roles. This makes potential conflicts of interest inevitable. Community councils must also balance the requirement to hold meetings in public with confidentiality considerations – as a result, awards are often considered by a sub-group which meets privately, then ratified in the full community council meeting.
- Where an award is made to an individual, the benefits to the wider community can be enhanced by requiring the individual feedback on their experience or share the skills they have learned. This can be done by providing a presentation or demonstration to relevant local groups, for example. Nonetheless, micro-grants are sometimes awarded based on individual rather than community benefit. Where this is the case, the award will usually be assisting with travel costs that may otherwise be a barrier for that community member to participate in an opportunity.

LOCALENERGY.SCOT
0808 808 2288
FUNDED BY THE SCOTTISH GOVERNMENT



Greener
Scotland
Scottish
Government

CARES CASE STUDY



LOCAL
ENERGY
SCOTLAND

- Sufficient demand for funding. Micro-grant schemes are often established to benefit areas with small populations, particularly where they are linked to a renewable energy development. Despite widely advertising the availability of funds, some micro-grant schemes have traditionally had a low take up. While there may be no 'magic bullet' to address this, reviewing the reasons behind any low take up may yield results; for example, by changing how the scheme is branded or increasing the upper limit of awards (where reasonable) to ensure they can deliver enough benefit. In some cases, however, it may be that further funds are not drawn down to operate the scheme until the existing funding is used up.

To find out more about community benefits from renewable energy projects, visit localenergy.scot/community-benefits



LOCALENERGY.SCOT
0808 808 2288
FUNDED BY THE SCOTTISH GOVERNMENT



Greener
Scotland
Scottish
Government