

EAST AYRSHIRE COUNCIL

CABINET – 21 APRIL 2010

LOCAL COMMUNITY GRANTS SCHEME – DISTRIBUTION OF RESOURCES

Report by the Executive Director of Finance and Corporate Support

1. PURPOSE OF REPORT

- 1.1 To present to Cabinet for consideration proposals in respect of the distribution of resources for the Council's Local Community Grants Scheme.

2. BACKGROUND

- 2.1 At its meeting on the 28 April 2005, the Council agreed that for 2005/06 the allocation of resources from the Local Community Grants Scheme for each Local Committee Area would be based on a funding formula comprising the following:

- Total population within each local committee area (based on Small Area Population Estimates [SAPE]);
- Total population within each area living in the 0-15% most deprived datazones (x2) (as identified by the Scottish Index of Multiple Deprivation [SIMD]) ;
- Total population within each area living in the 15-30% most deprived datazones (x1) (as identified by the SIMD);
- Total number of older people aged sixty years and over; and
- Total number of children and young people aged 0-24 years.

In this regard, the ratio attributed to deprivation, older people and young people was 6:2:2 respectively.

- 2.2 Points were awarded based on the above statistics; expressed as a percentage for each committee area; and subsequently applied to the distribution of the total grant fund.
- 2.3 Further to the agreement by the Council to use the same factors and ratios applied in 2005/06 for subsequent years' allocations, which was implemented up to and including 2009/10, the Council agreed at its meeting in June 2009, for the 2010/11 Community Grants budget, to review the allocation methodology and distribution formula to ensure that it continued to be "fit for purpose".

3. DISTRIBUTION OF COMMUNITY GRANTS: PROPOSED ALLOCATION METHODOLOGY 2010/11

- 3.1 Cabinet will be aware that it is important that the distribution method for the Local Community Grants Scheme is evidence based, informed by up to date statistical information and clearly equitable.

Scottish Index of Multiple Deprivation

- 3.2 The SIMD is the Scottish Government's tool for measuring concentrations of multiple deprivation across Scotland. It is relevant for the targeting of policies and

resources aimed at tackling areas where there are concentrations of multiple deprivation. A cut off point of 15% is commonly applied to identify the highest concentrations of multiple deprivation in Scotland.

- 3.3 The SIMD 2009 is based on 38 indicators of deprivation across seven categories or 'domains', namely Income; Employment; Health; Education; Geographic Access to Services; Housing; and Crime.
- 3.4 Noting that the principal objective of the Local Committee Grants Scheme is to 'develop and put into practice a system of resource allocation which prioritises those in most need', it is proposed that the SIMD 2009, which was published by the Scottish Government's Chief Statistician on 29 October 2009, is used to ensure that each Local Area receives a fair resource allocation from the Local Community Grants Scheme.
- 3.5 Within this, the allocation provided for each Local Area will depend on the total population within the 0-15% most deprived datazones in an area because evidence suggests that the impacts of deprivation become significantly worse around this level.
- 3.6 In addition, the population in the 15-20% most deprived datazones would be included within the calculation as relative movement is mainly between 10-15% and 15-20% most deprived datazones.

Review of Distribution Formula

- 3.7 To facilitate the review process, the following options in respect of a future allocation formula are presented to Cabinet for consideration:
 - **Option 1 – Existing distribution formula:** As previously noted at paragraph 2.1, included in this calculation is the total population from the 0-15% (x2) and 15-30% (x1) most deprived datazones identified in SIMD 2009, the sum of which provides the total deprivation points; the total number of older people aged 60 years and over; the total number of young people aged 0-24 years (with a 6:2:2 ratio applied respectively); and added to the total population of the Local Area.
 - **Option 2 – Distribution by population:** The distribution of resources within this calculation is based solely on the percentage of the total population of East Ayrshire living in each Local Area. (This calculation does not reflect a resource allocation which prioritises those considered most in need.)
 - **Option 3 – Revised distribution formula:** This option provides a calculation based on the total population for the Local Area and a weighting for the population of the 0-15% (x2) and 15-20% (x1) most deprived datazones identified in SIMD 2009.
- 3.8 It would appear that there is double counting in the existing distribution formula, as young people and older people are counted at least twice within this calculation.
- 3.9 Analysis of the distribution of the Local Community Grants Scheme over the last three years indicates that there is no justification for targeting older people and

young people and continuing the weighting in the grants calculation. This has been reflected at Option 3.

3.10 The table below reflects the distribution of community grants approved for 2009/10 and proposed allocations for the individual Local Areas based on each of the options identified at paragraph 3.7 above. Variance from the 2009/10 position is shown in brackets.

Local Area	Population	*2009/10 Allocation £	2010/11 Option 1 (Existing distribution formula) £	2010/11 Option 2 (Distribution by population) £	2010/11 Option 3 (Revised distribution formula) £
Northern - Wards 1 & 6 (7 Elected Members)	26,647	36,432	36,976 (+544)	47,881 (+11,449)	38,474 (+2,042)
Central North - Wards 2 & 4 (7 Elected Members)	25,411	44,096	45,909 (+1,813)	45,660 (+1,564)	44,688 (+592)
Central South - Wards 3 & 5 (7 Elected Members)	27,710	50,535	49,515 (-1,020)	49,791 (-744)	51,536 (+1,001)
Southern (Cumnock) Wards 7 & 8 (8 Elected Members)	27,886	56,500	57,096 (+596)	50,107 (-6,393)	55,150 (-1,350)
Southern (Doon Valley) Ward 9 (3 Elected Members)	12,266	27,917	25,984 (-1,933)	22,041 (-5,876)	25,632 (-2,285)
East Ayrshire	119,920	215,480	215,480	215,480	215,480

*Please note that 2009/10 allocations were based on 2007 Mid Year Estimates of Population and the Scottish Index of Multiple Deprivation 2006.

3.11 A more detailed analysis of the options in respect of the proposed resource allocation for 2010/11 is provided at the Appendix to this report.

3.12 Based on the issues previously highlighted regarding the existing distribution formula (Option 1) in respect of double counting and that there appears to be no justification for continuing to target older people and younger people; and that the principle of the Local Community Grants Scheme is to support those most in need which would not be applied at Option 2, the officer recommendation is that Option 3 which targets our most disadvantaged areas would be the preferred option for implementation in 2010/11.

3.13 The distribution formula for each option is based on the Small Area Population Estimates from the 2008 Mid Year Estimates of Population supplied by the General Register Office for Scotland and the SIMD 2009. It is proposed that future years' allocations would be based on the most up to date population figures and the SIMD available at the time.

4. FINANCIAL IMPLICATIONS

4.1 The overall budget allocation for Local Community Grants in 2010/11 is £215,480.

5. LEGAL IMPLICATIONS

5.1 Nil

6. POLICY IMPLICATIONS

6.1 The Local Community Grants Scheme operates within the policy guidelines detailed in the Council's procedures document, APB27 External Funding (January 2003 and updated on 29 March 2010), issued in accordance with the Code of Guidance on Funding External Bodies and Following the Public Pound.

7. COMMUNITY PLANNING IMPLICATIONS

7.1 Allocations from the Local Community Grants Scheme should be utilised to fund projects and initiatives linked to the broad themes and priorities identified in East Ayrshire's Community Plan, which are aligned to the Council's portfolios.

8. RECOMMENDATIONS

8.1 It is recommended that Cabinet:

- i) agrees Option 3 as the preferred distribution formula for resource allocation in respect of the Local Community Grants Scheme in 2010/11 and future years; and
- ii) otherwise, note the content of the report.

Alex McPhee
Executive Director of Finance and Corporate Support
14 April 2010

BACKGROUND PAPERS

1. Report to Policy and Resources Committee, 19 February 2004, Local Committee Community Grants Scheme – Distribution of Resources 2004/05
2. Report to Council, 28 April 2005, Local Community Grants Scheme – Distribution of Resources 2005/06
3. Report to Cabinet, 16 December 2009, Scottish Index of Multiple Deprivation 2009

Any person wishing to inspect the above background papers or to seek further information on this report should contact Bill Walkinshaw, Head of Democratic Services, (Tel: 01563 576147).

Implementation Officer: Bill Walkinshaw, Head of Democratic Services.

LOCAL COMMUNITY GRANTS SCHEME
PROPOSALS FOR DISTRIBUTION OF RESOURCES

Option 1: Existing distribution formula (total population plus weighting for 0-15% and 15-30% most deprived as identified by SIMD 2009, and older people and young people)

Local Area	Total Pop	0-15% SIMD Pop	x 2	15-30% SIMD Pop	Total Depriv Points	x 60%	Older People 60+	x 20%	Young People 0-24	x 20%	Total Points	%	Proposed Allocation 2010/11	Allocation 2009/2010	Variance
Northern - Wards 1 & 6	26,647	1,419	2,838	3,993	6,831	4,099	6,338	1,268	7,464	1,493	54,139	17.2	£36,976	£36,432	£544
Central North - Wards 2 & 4	25,411	4,522	9,044	6,988	16,032	9,619	5,541	1,108	7,923	1,585	67,219	21.3	£45,909	£44,096	£1,813
Central South - Wards 3 & 5	27,710	6,040	12,080	4,960	17,040	10,224	6,593	1,319	8,011	1,602	72,499	23.0	£49,515	£50,535	-£1,020
Southern (Cumnock) - Wards 7 & 8	27,886	6,668	13,336	10,138	23,474	14,084	6,910	1,382	8,219	1,644	83,599	26.5	£57,096	£56,500	£596
Southern (Doon Valley) - Ward 9	12,266	3,721	7,442	3,671	11,113	6,668	2,964	593	3,702	740	38,046	12.1	£25,984	£27,917	-£1,933
East Ayrshire	119,920										315,502	100	£215,480	£215,480	£0

Total points/allocation for each Local Area are based on the sum of the figures highlighted in yellow across the relevant row. Figures are subject to rounding and allocations calculated by Excel formula using exact percentage rather than rounded figure shown in % column.

Option 2: Distribution by population

Local Area	Total Pop	%	Proposed Allocation 2010/11	Allocation 2009/2010	Variance
Northern - Wards 1 & 6	26,647	22.2	£47,881	£36,432	£11,449
Central North - Wards 2 & 4	25,411	21.2	£45,660	£44,096	£1,564
Central South - Wards 3 & 5	27,710	23.1	£49,791	£50,535	-£744
Southern (Cumnock) - Wards 7 & 8	27,886	23.3	£50,107	£56,500	-£6,393
Southern (Doon Valley) - Ward 9	12,266	10.2	£22,041	£27,917	-£5,876
East Ayrshire	119,920	100	£215,480	£215,480	£0

Total allocation for each area is based on the percentage of the total East Ayrshire population living in each Local Area. Figures are subject to rounding and allocations calculated by Excel formula using exact percentage rather than rounded figure shown in % column.

Option 3: Revised distribution formula (total population plus weighting for 0-15% and 15-20% most deprived by SIMD 2009)

Local Area	Total Pop	0-15% SIMD Pop	x 2	15-20% SIMD Pop	Total Points	%	Proposed Allocation 2010/11	Allocation 2009/2010	Variance
Northern - Wards 1 & 6	26,647	1,419	2,838	2,253	31,738	17.9	£38,474	£36,432	£2,042
Central North - Wards 2 & 4	25,411	4,522	9,044	2,408	36,863	20.7	£44,688	£44,096	£592
Central South - Wards 3 & 5	27,710	6,040	12,080	2,722	42,512	23.9	£51,536	£50,535	£1,001
Southern (Cumnock) - Wards 7 & 8	27,886	6,668	13,336	4,271	45,493	25.6	£55,150	£56,500	£-1,350
Southern (Doon Valley) - Ward 9	12,266	3,721	7,442	1,436	21,144	11.9	£25,632	£27,917	£-2,285
East Ayrshire	119,920				177,750	100	£215,480	£215,480	£0

Total points/allocation for each Local Area are based on the sum of the figures highlighted in yellow across the relevant row.

Figures are subject to rounding and allocations calculated by Excel formula using exact percentage rather than rounded figure shown in % column.