

EAST AYRSHIRE COUNCIL

CABINET - 5 MARCH 2008

FAIRER SCOTLAND FUND

Report by the Depute Chief Executive/Executive Director of Corporate Support

1. PURPOSE OF REPORT

1. To advise Cabinet of the creation, by the Scottish Government, of the Fairer Scotland Fund designed to tackle poverty and deprivation across Scotland.

2. BACKGROUND

- 2.1 The Scottish Government as part of its November 2007 Spending Review announced the creation of the Fairer Scotland Fund, which replaces a number of current programmes and funding streams, namely:

- Community Regeneration Fund (CRF)
- Community Voices Programme (CVP)
- Working For Families (WFF)
- Changing Children's Service Fund - Social Inclusion element – (CCSF)
- Financial Inclusion Fund (FIF)
- Workforce Plus – New Futures Fund element (NFF) ; and
- More Choices, More Chances (MCMC)

- 2.2 The Fairer Scotland Fund will be allocated to each Community Planning Partnership to enable partnerships to work together to tackle area based and individual poverty, and to help more people access and sustain employment opportunities.

3. FAIRER SCOTLAND FUND – FINANCIAL ALLOCATION AND KEY PRINCIPLES

- 3.1 The allocation to East Ayrshire Community Planning Partnership from the Fund is as follows:

2008/09 (£m)	2009/10 (£m)	2010/11* (£m)
4.652	4.621	4.589

* The allocation is ring-fenced for the first two years of the Spending Review period, in order to provide transparency and ensure that all Community Planning Partners can play a part in driving forward the strategic investment of these resources. However, it is envisaged that the ring-fence will be removed in 2010-11 as Single Outcome Agreements are concluded with Community Planning Partnerships.

- 3.2 The distribution of the Fairer Scotland Fund has been based on the Scottish Index of Multiple Deprivation 2006 (SIMD06), reflecting both concentration of multiple deprivation and patterns of individual deprivation. Although Ministers will want to see evidence of accelerated impact for the most deprived 15% data zones identified within the SIMD06, there will be no requirement to target a set proportion of the allocation for investment only in 15% data zone area, as under current arrangements.

- 3.3 **Key principles of the Fund:** the Scottish Government considers the following principles crucial for investment of the Fairer Scotland Fund by Community Planning Partnerships:

- a clear focus on investment to address the causes of poverty, not its symptoms;
 - a strong emphasis placed on making early interventions for vulnerable individuals, families and disadvantaged communities;
 - promotion of joint working between local partners;
 - focused action to improve employability as a key means of tackling poverty;
 - empowering communities and individuals to influence and inform the decisions made by Community Planning Partnerships.
- 3.4 The Scottish Government will require evidence that these principles are being put into action by local partners and while we will not be required to establish a separate agreement framework for the Fairer Scotland Fund, we will be expected to link our measurement of the impact of the Fund's investment to our Single Outcome Agreement.
- 3.5 **Tackling Poverty: Individuals, Families and Communities:** Investment of the new Fund will follow an outcome-base approach. Community Planning Partnerships are asked to use this additional investment both to promote effective joint working and as a catalyst for galvanising mainstream resources and budgets to create lasting change that will benefit the most disadvantaged communities and people.
- 3.6 Community Planning Partnerships, if they wish, can continue to support any of the effective work carried out as part of previous programmes, where this will contribute to the achievement of agreed outcomes. A strong emphasis should be place on helping those individual and family groups most affected by poverty across Scotland.
- 3.7 As a consequence, an exercise has been carried out to identify all existing activity funded during 2007/08 from each of the funding strands and each initiative's budget requirements for the first quarter of 2008/09. A recommendation will go to the Community Planning Partnership Board on 6 March 2008, proposing that each existing project/initiative should receive their identified first quarter's budget in 2008/09, up to 30 June 2008, and that full reviews of each of the initiatives take place within that first quarter, to determine whether they continue to meet the funding requirements and future Community Planning Partnership priorities.
- 3.8 Project reviews will ensure that those projects/initiatives recommended for continuation funding to any degree under the Fairer Scotland Fund meet the funding requirements, future Community Planning Partnership priorities and, importantly, continue to demonstrate best value. The establishment of the Fairer Scotland Fund provides an opportunity to take an overview of existing activity previously delivered across separate funding strands and identify opportunities to streamline, refine and/or enhance current programmes, as appropriate.
- 3.9 The output of the series of reviews will be a package of recommendations from the partners involved in each review, which each partner agency will then have the opportunity of considering for their own interests. In respect of the Council's interests, consideration will be given to the outputs by Corporate Management Team and then by Cabinet, before ultimate consideration of the whole matter by the Community Planning Partnership Board.
- 3.10 The four CRF partner agency 'flagship projects', namely: EASY, Healthy Living Initiative, Recreation Partnership Project and New Sporting Futures, which will become part of mainstream Council services from 1 April 2008, as agreed at Cabinet on 24 January 2008 will also be reviewed to determine how best to deliver their aims and objectives in the future.. The recommendation to the Board will be to meet the balances of costs, where appropriate, from the Fairer Scotland Fund which, will become mainstream funding at the end of 2009/10.

- 3.11 **Managing the Fairer Scotland Fund:** The overall performance management requirements for the new Fund and the specific outcomes to be delivered will require to be included in the new Single Outcome Agreement currently being developed. The Scottish Government would, therefore, like to agree a set of local outcomes and indicators for action to tackle poverty and deprivation in each local authority area over the coming three years.
- 3.12 The Government has now issued the Performance Management arrangements for the Fairer Scotland Fund. It is anticipated that the financial terms and conditions will be issued by the Scottish Government in due course. The above documentation will be analysed and reported in detail to Cabinet and to the Partnership.
- 3.13 The Corporate Management Team has agreed that the day to day management and monitoring of the Fairer Scotland Fund including compliance with Scottish Government reporting arrangements will sit with the Community Planning and Partnership Unit (CPPU).

4. THE WAY AHEAD

- 4.1 As identified at paragraphs 3.7 and 3.8, work has been progressed to map out existing activity across each of the separate funding streams. Once the Community Planning Partnership Board has considered the impact of existing initiatives, consideration will be given to identifying programmes which fit with the Fairer Scotland Fund criteria and East Ayrshire Community Plan priorities. It is anticipated that proposals will be prepared for consideration at the next two meetings of the new Community Planning Partnership Board scheduled to take place on 6 March and 26 June 2008.
- 4.2 Information on the new Fund and the proposed recommendations to the Community Planning Partnership Board will be submitted routinely to Cabinet, as appropriate.
- 4.3 As stated at para 3.12 above, financial and performance reporting arrangements for the new Fund will be developed once the Council and its Planning Partners are in receipt of the terms and conditions of grant. These will be developed by the Community Planning Partnership Unit in consultation with Finance and Asset Management, considered internally by the Corporate Management Team and subsequently presented to Cabinet and to the Community Planning Partnership Board for consideration and endorsement.

5. LEGAL IMPLICATIONS/FINANCIAL IMPLICATIONS

- 5.1 Nil arising from this report.

6. COMMUNITY PLANNING IMPLICATIONS

- 6.1 The Fairer Scotland Fund is allocated to the Community Planning Partnership for distribution. Projects and programmes funded under the Fairer Scotland Fund will require to demonstrate clear links to the Community Plan and related action plans.

7. RECOMMENDATIONS

7.1 The Cabinet is asked to:

- i) note the creation of the new Fairer Scotland Fund;
- ii) agree to the Community Planning and Partnership Unit assuming responsibility for the day to day management and monitoring of the Fairer Scotland Fund; and
- iii) agree to receive reports detailing the criteria for the fund, its financial terms and conditions and on the recommendations arising from the review process and proposals for the future distribution of the Fairer Scotland Fund.

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27 February 2008

Background Papers

Nil

Any person wishing further information on this report should contact Elizabeth Morton, Depute Chief Executive/Executive Director of Corporate Support, on (01563 576001) or Gwen Barker, Community Planning and Partnership Manager, (Tel 01563 554602)

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