



FUTURE OF AYRSHIRE KEY FUND

Board Meeting – 10 March 2005

1. PURPOSE OF REPORT

- 1.1 To present to the Board for consideration and approval, proposals in respect of the future development of the Ayrshire Key Fund (AKF).

2. BACKGROUND

- 2.1 Ayrshire Key Fund was developed to support the expansion of community economic activity within the four Ayrshire Social Inclusion Partnerships. It was established in 2002 as an intervention to overcome the limited opportunities available to social economy organisations accessing structural funds and other financial programmes.
- 2.2 Members will recall that, at its meeting of 16 December 2004, the Board remitted the Community Planning and Partnership Manager to consider options with East Ayrshire's representatives on the AKF Board, and report back recommendations for future participation in the AKF.
- 2.3 Options for consideration included:
- continuing participation in a Phase 2 AKF initiative as a local funding mechanism designed to support community development activity; and
 - establishing a local Key Fund, which would operate East Ayrshire wide.

3. EVALUATION OF AYRSHIRE KEY FUND

- 3.1 MCM Associates Limited was appointed in September 2004 to undertake an evaluation of the AKF and the findings of the report were presented to the AKF Board at its meeting of 14 December 2004.
- 3.2 The evaluation report confirms that AKF operated effectively and made significant impact in terms of supporting a range of community economic development activity within designated areas, including:
- 43 projects (11 in East Ayrshire), providing a range of community economic activity, supported;
 - all available AKF funds, totaling £816,750, allocated;
 - over £637,000 of additional resources levered into the area by local organisations utilising AKF, providing a combined investment of approximately £1.5 million; and
 - a range of programme targets achieved, including 35 new jobs created and 15 jobs safeguarded.

- 3.3 A summary of recommendations for the future development of the AKF included:
- consideration by partner agencies of continuing AKF community economic development activity;
 - strategic targeting of any future fund based on partner priorities;
 - future geographical targeting of activity based on designated areas identified in the Regeneration Outcome Agreements; and
 - assessment of how AKF would complement other grant programmes to ensure additionality.

4. FUTURE DEVELOPMENT

- 4.1 At a meeting of the AKF Board on 3 February 2005, to consider proposals in respect of the future of AKF, representatives from North Ayrshire and South Ayrshire recommended that applications for AKF Phase 2 should be made to Strathclyde European Partnership (SEP).
- 4.2 The SEP Programme Manager has confirmed that Key Funds remain a priority in Western Scotland and that a Phase 2 application from Ayrshire would be well received. Applications required to be prepared and submitted to SEP by 23 February 2005.
- 4.3 Guidance on Key Funds approved by the European Commission indicated that there should be one Key Fund per Local Enterprise Company area and establishing another Key Fund in Ayrshire, separate from AKF, would require Scottish Executive approval.
- 4.4 Consequently, East Ayrshire representatives on the AKF Board proposed indicative 'in principle' support for a Phase 2 European application, subject to SIP Board/Community Planning Partners' approval, and an Ayrshire bid was subsequently submitted to SEP by Ayrshire Key Fund Limited by the required date.
- 4.5 Scottish Enterprise Ayrshire has provided an indicative allocation of £50,000, spread equally across the four former SIP areas. It is proposed that the maximum level of match funding from East Ayrshire via the Community Regeneration Fund (CRF) in 2005/06 is £50,000, subject to SIP Board/Community Planning Partners' approval.
- 4.6 SEP has confirmed that European funds are currently tied to the former SIP areas as Regeneration Outcome Agreements (ROAs) have not been approved by the Scottish Executive. However, applications which anticipate targeting the worst 0-15% areas of deprivation identified by the Scottish Index of Multiple Deprivation 2004 (SIMD04) will be accepted and potential target areas via SIMD04 data zones have been included in the AKF application.
- 4.7 Partner resources require to be confirmed, in writing, to AKF Limited by 1 June 2005 and it is anticipated that new applications will commence on 1 July 2005, and conclude at 31 March 2007.

5. RECOMMENDATIONS

5.1 It is recommended that the Board:

- i) notes the progress and achievements of the AKF in relation to supporting a range of community development activity throughout Ayrshire;
- ii) endorses continued East Ayrshire participation in the AKF and approves 'in principle' support for a Phase 2 application to SEP from Ayrshire Key Fund Limited;
- iii) agrees to support a maximum financial allocation of £50,000 from the CRF in 2005/06 to provide match funding for a Phase 2 European application;
- iv) notes the potential for change to the existing target areas, from SIP designated areas to 0-15% SIMD04 areas, subject to ROAs receiving Scottish Executive approval;
- v) notes the timescales for delivery of the AKF Phase 2 programme at 4.8;
- vi) agrees to receive further updates in respect of progress in the development and operation of the AKF; and
- vii) otherwise notes the content of the report.

Gwen Barker
Community Planning and Partnership Manager
28 February 2005