



Integrating Social Inclusion Partnerships and Community Planning Partnerships



SCOTTISH EXECUTIVE

GUIDANCE ON INTEGRATING SIPS AND COMMUNITY PLANNING PARTNERSHIPS

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GUIDANCE ON INTEGRATING SIPS AND COMMUNITY PLANNING PARTNERSHIPS

Introduction

Foreword

This guidance sets out the key principles and an outline of the process of integrating in full Social Inclusion Partnerships (SIPs) with Community Planning Partnerships (CPPs). CPPs are at different stages of development across Scotland and the successful implementation of this guidance will require ongoing dialogue at the local level. Consequently, there is no “one size fits all” approach to integration in terms of what it will look like, nor will the pace of integration be the same for all CPPs. Throughout the process Communities Scotland will play a supportive role in assisting CPPs and their partners to achieve a smooth integration, holding to key principles but recognising the importance of flexibility and recognising local circumstances.

Background

Social Inclusion Partnerships tackle poverty and disadvantage in communities across Scotland. With SIP Funding from the Scottish Executive (£60 million core funding in 2003-04) and by working closely with communities, Scotland’s 48 SIPs have had many successes in getting people back into work, improving community safety, tackling poverty and improving local services to those communities. They have also become important vehicles for building skills, confidence and networks within local communities and in targeting and engaging communities of interest.

Community planning is about the structures, processes and behaviours necessary to ensure that organisations work together and with communities to improve the quality of people’s lives, through more effective, joined-up and appropriate delivery of services. Over the last few years, Scotland’s local authorities have been working with communities, with other agencies, the voluntary and private sectors to take community planning forward. The Local Government in Scotland Act 2003 now provides a legislative basis for community planning and places a statutory duty on local authorities and other agencies to engage in community planning. Further information on Community Planning is available on (<http://www.communityplanning.org.uk/>).

The Scottish Executive wants to strengthen the contribution that SIPs and SIP funding makes to closing the opportunity gap between disadvantaged communities and the rest of Scotland. In particular, it wants to build on SIP’s track record in engaging communities, both geographic and thematic, to ensure that local people continue to influence decision making and have a real say in the future of their areas. Community engagement is at the heart of SIPs and **must** be at the heart of community planning. The integration of SIPs and CPPs are about building on the successes of

SIPs and ensuring that, where they are working well, they are an integral part of CPPs – working to regenerate communities and close the gap between disadvantaged communities and the rest of Scotland.

“Better Communities in Scotland – Closing the Gap”, published in June 2002 (<http://www.scotland.gov.uk/library5/social/bcis.pdf>) set out the Scottish Executive’s strategy for closing the opportunity gap between disadvantaged communities and the rest of Scotland. The strategy included a commitment to integrate Social Inclusion Partnerships within the strategic framework of Community Planning Partnerships.

This integration aims to:

- Ensure that local regeneration takes place within the wider strategic context of community planning so that core services and core budgets of public bodies are working together to close the opportunity gap for disadvantaged communities.
- Allow decision making on regeneration to be taken at the neighbourhood level within a national framework.
- Build on the strengths and successes of SIPs and transform them into more effective partnerships, with the full engagement of communities.
- Enhance the focus and concentration on disadvantaged communities who most need assistance, targeting mainly at a geographical level but also recognising communities of interest.
- Maintain a clear focus on the *needs* of communities and give a greater recognition to how agencies involved in Community Planning are meeting those needs.
- Link up physical, social and economic regeneration more effectively.

This Guidance

This document sets out what CPPs should do to integrate SIPs within their framework and explains how resources will be allocated over the next 3-4 years. It takes account of the views of the SIP Stakeholder Group which comprises representatives from SIPs, CPPs and communities whose views have been sought in the development of this guidance. It has also been informed by previous SIP research and evaluation, including the interim report on SIPs published by Communities Scotland in March 2003 ([Research Précis 26](#)).

While this document is primarily concerned with processes, assessment criteria and timetables, the ultimate success or otherwise of the integration of SIPs and CPPs will be down to people and to the culture of the organisations engaged in community planning. In doing so, and in line with guidance on Community Planning, the integration process should encourage equal

opportunities and, in particular, the observance of the equal opportunities requirements. Equalities objectives should also be mainstreamed by local authorities. Crucially, communities must be at the centre of community planning and engaged in the decisions and choices which will be part of the integration process.

Summary of Integration Stages

In broad terms there will be a three-stage integration process, though stages can run simultaneously.

Stage 1- Assessment of the Readiness of CPPs

This will involve assessing the readiness of CPPs, through the submission of a Statement of Readiness, to integrate SIPs into the community planning framework. This will enable Scottish Ministers and communities to have the confidence that services and outcomes in disadvantaged areas will be improved as stated in the Community Regeneration Statement. Although the assessment will be largely be a self-evaluation by the CPP, Ministers will need to be satisfied that the CPP meets, or is making real and tangible progress towards, the readiness criteria.

Stage 2 - Resource Allocation

The Minister for Communities has recently confirmed funding allocations to SIPs for 2004/05. From 2005/06 the distribution of SIP Funds across Scotland will be based primarily on the 2004 Index of Deprivation (to be published May 2004). Where CPPs have satisfied Stages 1 and 3 of the integration process, SIP Funds will be allocated to the CPP to enable the implementation of its Regeneration Outcome Agreement. Where CPPs have not satisfied these Stages, regeneration funds will continue to be allocated to existing SIPs.

From 2005/06, it is intended to allocate SIP funds for three years (rather than the current firm allocation for one year and indicative allocations for the next two years). However this will need to take account of the next Scottish Executive Spending Review and future updates of the Index of Deprivation. Payment of funds will, of course, be subject to effective management and performance. Where CPPs have not satisfied stages 1 and 3 of the process in readiness for March 2005 alternative arrangements for management of targeted regeneration resources will be considered.

Stage 3 – Regeneration Outcome Agreement

Many CPPs will already have in place a Regeneration Strategy for their area flowing from their Community Plan. This Strategy should provide the framework for the development, in consultation with communities, of a Regeneration Outcome Agreement (ROA). The purpose of the ROA is to provide a strategic framework which links national and local priorities for tackling disadvantage with spend and activities. The ROA will be expected to outline both SIP and

partners' mainstream resources, aimed at improving outcomes for disadvantaged areas and groups.

For CPPs seeking to integrate with SIPs prior to April 2004 a transitional ROA for 2004/05 is required. This is expected to be developed and refined into a more detailed three year ROA, for the period 2005-08, by December 2004. Other CPPs, seeking to integrate from 2005/06 will also be expected to submit a three year ROA by this date. Although CPPs may be working on their Statement of Readiness and ROA simultaneously, it is expected that the Statement of Readiness will be in place before formal submission of the ROA to Communities Scotland for approval by Ministers.

CPPs must actively engage SIP Boards in each stage of integration and will also wish to draw on existing SIP monitoring and evaluations. It should be noted though, that the evaluation of those SIPs (due December 2003) should not delay the approval process for integration. Each of the above stages is described in more detail in the next section.

Timetable

CPPs are expected to pass all Stages of integration by March 2005. Some CPPs and SIPs have already made significant progress in working together and joining up their planning and decision making processes. In these cases, CPPs may wish to progress more speedily to enable integration and the transfer of funds in preparation for 2004/05. This is encouraged. Communities Scotland will support CPPs on each Stage of integration as soon as CPPs indicate that they wish to do so.

An indicative timetable for integration over the period August 2003 to the beginning of financial year 2005/06 is provided below

Date	Integration Activity
August 2003	Guidance on integration issued
September 2003 onwards	CPPs prepare Statement of Readiness (Stage 1) and Regeneration Outcome Agreement (Stage 3)
January 2004	Target date for submission of Statement of Readiness and transitional ROA for CPPs seeking integration and transfer of funds in 2004/05
From February 2004	Approval of integration in transition year by Ministers for CPPs which have passed Stages 1 and 3 Allocation of 2004/05 SIP Funds to integrated CPPs or, where CPPs have not passed Stages 1 and 3, existing arrangements will continue
May to July 2004	Publication of 2004 Index of Deprivation as principle basis for funding allocations to CPPs over the period 2005-08
January 2005	Target date for submission of Statement of Readiness and 3 year ROA for integration and transfer of funds in 2005/06

Jan to March 2005	Approval of integration by Ministers for CPPs which have passed Stages 1 and 3. Otherwise alternative arrangements will be considered.
March 2005	Allocation of 2005/06 SIP Funds to integrated CPPs

CPPs are encouraged to submit Statements of Readiness and ROAs in advance of these dates to enable early approval or, where necessary, further development.

Approval by Ministers

The allocation of SIP Funds to CPPs can only take place as and when Ministers are satisfied that the necessary stages have been passed, based on recommendations from Communities Scotland.

Communities Scotland will make every effort to support and work with CPPs to help them through the various stages of integration. However, where a CPP is unable to demonstrate that it is making real and tangible progress through the Stages, existing arrangements will continue for 2004/05 and if the situation continues through that year then alternative management arrangements to the CPP will be considered from 2005-06.

STAGE 1: Readiness of the Community Planning Partnership

Assessment of Readiness

The purpose of this stage is for CPPs to clearly demonstrate that they are ready to integrate SIP structures and resources into the community planning framework. As noted in the Community Regeneration Statement, CPPs should be able to demonstrate effective joint working with communities and demonstrate that services and outcomes will be improved by a continued and if necessary enhanced focus on those communities, both geographic and thematic, that need resources most. CPPs will be required to demonstrate that real and tangible progress is being made against the following criteria:

1. Focus on disadvantage

CPPs will be expected to demonstrate that they have a clear and targeted approach to tackling disadvantage and closing the opportunity gap, at a geographic level as well as thematically. This is about demonstrating a strategic commitment by the community planning partners in order that a whole range of mainstream public sector resources working with each other and with communities can tackle disadvantage effectively.

2. Partnership working

CPPs will be required to demonstrate that they are making progress towards developing genuine, effective partnership working, at both the local-authority wide and local level, for delivering regeneration activity. This should include details of:

- The key community planning structures and processes for working in partnership.
- How the CPP proposes to integrate existing SIP structures and CPP structures at strategic/local authority-wide and local level, in ways that build on effective SIP activity.
- How communities have been or will be involved in shaping these structures.
- Links with other relevant partnerships, such as the developing proposals for local Community Health Partnerships

This could involve existing SIP arrangements merging with community planning roles. What is important is that CPPs adopt an approach which is 'fit for purpose' to the community concerned and which builds on SIPs and/or other partnerships that work. Every effort should be made to co-ordinate and rationalise structures at a neighbourhood level. CPPs should also take account of the views of communities and agencies involved in existing SIP structures.

In assessing this aspect of CPPs, particular attention will be given to ensuring that strategic and local partnerships are set up to be effective, include appropriate partners and communities, and are not dominated by a small number of individuals or agencies.

3. Community engagement

Effective and genuine community engagement is at the heart of Community Planning. Councils are required under the Local Government in Scotland Act [Section 15(1) and (2)] to engage with community bodies as part of the Community Planning process. The Act also requires those bodies required to participate in Community Planning to assist Councils in facilitating such engagement.

CPPs will be required to demonstrate that they have appropriate arrangements in place for community engagement or that significant progress is being made in this area. In particular, CPPs should note that the statutory guidance on community planning makes it clear that community engagement in this context must involve consultation, co-operation and participation. This would involve the CPPs demonstrating that they have engaged or propose to engage a broad range of community bodies as well as ways of involving “difficult to reach” groups and a wider variety of people.

In demonstrating the above CPPs should have specific regard to the Community Planning Statutory Guidance on Engaging Community Bodies and Other Public Bodies, and also Community Planning Advice Note 5: Effective Community Engagement (<http://www.scotland.gov.uk/consultations/localgov/cpguidance.pdf>).

The Scottish Executive published draft guidance on Community Learning and Development for community planning partners in January 2003 (<http://www.scotland.gov.uk/library5/social/walt-00.asp>). Final guidance will be published shortly. In overseeing the implementation of this new guidance, CPPs should see it as a key element in ensuring effective community engagement.

CPPs should also note that The Scottish Community Development Centre, on behalf of Communities Scotland, and in dialogue with key stakeholders, is developing and testing “Standards for Community Engagement”. Draft standards will be prepared by December 2003 and tested in pilots over the period to April 2005. As these develop, CPPs are expected to use these standards as an element of good practice.

4. Financial, Performance and Outcome monitoring

Effective systems for monitoring and evaluation are essential in supporting CPPs to develop strategies, make best use of resources, monitor performance and measure success. For example, there will be a need to have a basis to take decisions about moving resources across different geographic areas or themes in pursuit of these outcomes. CPPs will be expected to demonstrate that they have, or are putting in place, a framework and supporting systems that will allow the CPP to assess whether the outputs and outcomes specified in the Regeneration Outcome Agreement are being achieved. This should include systems to ensure that resources are managed and targeted to maximise the effectiveness of spend in terms of achieving agreed

outcomes.

How do CPPs demonstrate they are ready?

CPPs will be required to submit a **Statement of Readiness** to Communities Scotland. This Statement should demonstrate that they meet the four criteria outlined above. Further information about these four criteria and the questions which CPPs should address is set out in Annex 1. The questions outlined are not mutually exclusive and therefore CPPs need not necessarily address each and every one.

It is not the intention to be overly prescriptive in terms of the content of these Statements, however some Partnerships may find it useful to use an “Assessment Toolkit” in measuring their readiness. This can be used by all partners to demonstrate if real and tangible progress is being made over time in terms of the assessment criteria. Communities Scotland will be commissioning the development of this toolkit, based on the questions outlined in Annex 1 and would encourage CPPs to be involved in its development. Its use will be entirely discretionary.

It is for CPPs to decide what form the Statements should take but they need be no more than 12 pages in length. Furthermore, where information, such as the Community Plan is already available this may be provided separately but should be relevant and clearly referenced. The Statement should clearly and separately address each of the four readiness criteria and, where appropriate, highlight existing weaknesses and the steps that will be taken to address them. This will allow scope for flexibility in Communities Scotland’s consideration of the Statements. Whilst CPPs will be expected to demonstrate that they meet the criteria ‘on paper’, the case for integration will be strengthened by real examples of how the criteria are already being met and/or where significant progress is being made.

The preparation of the Statement should involve all partners, and draw on the experience of SIP Boards and communities. Evidence of this involvement will be required by Ministers in considering and approving Statements. It is expected that for many CPPs the submission of the Statement of Readiness, with necessary dialogue and discussion, will be sufficient for Communities Scotland to recommend to Ministers that Stage 1 has been completed. However, there may be cases where more formal discussions or meetings between Communities Scotland and CPPs will be required.

STAGE 2 - Allocation of SIP Funds

2004/5

The 2004/5 allocation, which has recently been confirmed by Ministers, will be allocated to existing SIPs or, where a CPP has passed Stages 1 and 3 of the integration process prior to 1 April 2004, to the CPP. Where SIP Funds are allocated to the CPP the following conditions will apply:

- CPPs will be expected to maintain the large part of SIP expenditure on existing SIP areas and themes unless a clear case is made for changing these in 2004/05. In which case Communities Scotland will discuss this issue with those CPPs allocated SIP funding from 2004/05. As a guide, even where a case for change is made, this should not exceed more than 20% of resources being transferred from existing areas or themes.
- Existing SIP support posts are retained for 2004/5. This does not necessarily mean that staff should be retained on precisely the same tasks but it will be necessary to use the existing skills and expertise in the transition year and give reasonable notice of any more substantive changes in support staff structures beyond 2004/05

CPPs with former Regeneration Programme SIPs

The nine former Regeneration Programme SIPs (RPs) end in March 2004. These RPs were given an extension of SIP Funding in 2002/03 and 2003/04 specifically to enable their integration with CPPs. CPPs with ex RPs will therefore be expected to meet the Readiness criteria and have a transition ROA in place by March 2004. Where this is the case, and given that the new Index of Deprivation will not be available until May 2004, SIP funding will be provided in 2004/05 at the same level as the 2003/04 allocation. This should be used to complete the integration process and implement the transition ROA in 2004/05. This transition ROA could include new regeneration priorities and activities and CPPs can, if local circumstances dictate, be more flexible with the use of the former RP resources. It should also identify partners' match-funding/leverage towards the ROA in order to maximise the impact of this expenditure.

Where CPPs with ex RPs have not passed stages 1 and 3 by March 2004 alternative options may be considered to ensure these resources reach those communities in the CPP area.

Index of Deprivation

The Scottish Executive commissioned the Scottish Centre for Research on Social Justice to assist the development of a long-term strategy for measuring deprivation. The interim report on

that work was issued for discussion and comment in May 2003. The final report, and the Executive's response to it, will be published shortly. This will inform the approach to a new Index of Deprivation which will be published in May 2004.

2005/6 to 2007/8

From 2005/06, the 2004 Index of Deprivation will be the principal means of deciding the distribution of SIP Funds across Scotland. Other factors will also be taken into consideration. The new Index will be used to allocate funds to strategic/local authority wide CPPs for expenditure in line with the Regeneration Outcome Agreement. Funds will be allocated for the three-year period 2005/6 to 2007/8 though it should be noted that these allocations will be subject to the Spending Review. The Index is still in development, and further discussion will be required in relation to the particular methodology to be developed for resource distribution.

Where the new Index of Deprivation signifies a reduction in need for an area relative to others across Scotland there will be a reduction in SIP funding from 2005/6. This will be tapered down on a gradual basis over the period 2005/06 to 2006/07 so that CPPs can manage the process of change. CPPs will retain at least 75% of their 2004/05 SIP Fund allocation in 2005/06 and at least 50% in 2006/07. In addition, and with a view to mainstreaming, CPPs should show if and how they intend to fund projects during this tapering period. This will allow a degree of forward planning and integration with other resources over a two-year period. The consequence is that funding to these areas where there has been an increase in relative need will be tapered up over the period 2005/06 to 2007/08. Many SIPs and CPPs, for example the ex Regeneration Programmes have already been managing this process of change, for example the mainstreaming of projects and the development of appropriate exit strategies where necessary. This process should continue.

Recognising Effective Regeneration

Ministers are committed to encouraging good practice and effectiveness in regeneration. Although relative deprivation, measured through the 2004 Index of Deprivation, will be the principal means of deciding on the distribution of SIP Funds across Scotland, methods of encouraging effectiveness will be examined. This will concentrate on the achievement of outcomes from the resources allocated, rather than simply spend information itself. It is intended that this element may be introduced on a phased basis from 2006-07 offering a reasonable opportunity for CPPs to demonstrate effectiveness.

A range of possible approaches will be explored through the establishment by Communities Scotland of a short life working group, involving representatives from SIPs and CPPs. This group will be tasked with developing key principles and criteria for recognising effective approaches to regeneration. For example:

- not being overly concentrated on a purely quantitative approach,
- balancing this with keeping elements of subjectivity to a minimum, and

- including an assessment of the degree to which SIP resources lever or “bend” mainstream expenditure

The Accountable Body

When SIP funds transfer to the CPP, they will be paid to an appropriate “accountable body”, agreed by the CPP. Where a CPP has not met the SIP integration requirements, SIP funds will continue to be paid, as per current mechanisms, to existing SIPs. In such circumstances, those SIPs will nominate an appropriate “accountable body” for SIP funds until such time as these stages have been passed to the satisfaction of Ministers.

Resource Allocation by CPPs

When CPPs have passed Stages 1 and 3 of the integration process, SIP funds will be allocated to the local-authority wide CPP. The CPP’s Regeneration Outcome Agreement will define the areas and groups to be targeted, the outputs and outcomes to be achieved and the resources, both SIP and mainstream, used to deliver these outcomes. In doing so it is expected that CPPs will avoid spreading resources too thinly across a wide range of areas or groups.

The focus of targeted regeneration spend will continue to be geographically/area based. There will though, continue to be a role for thematic approaches particularly in targeting “difficult to reach” groups or for tackling disadvantage in rural areas. It is expected that around 80% of targeted regeneration resources will be focused geographically. However, this is not an absolute and flexibility will be given where evidence exists that a thematic approach will be more effective and a justifiable case is put forward to spend more than 20% on thematic approaches in particular circumstances.

The table below provides an indicative funding timetable for the integration of SIPs and CPPs and the transfer of SIP Funds to those CPPs which have passed Stages 1 and 3 of this Guidance.

Financial Year	Resource Allocation
2004/05	<ul style="list-style-type: none"> ▪ Indicative allocations for 39 SIPs met in full. ▪ CPPs which have passed Stages 1 and 3 receive allocations with conditions as to where these resources should be directed. ▪ Existing resources from 9 ex RPs allocated to relevant CPPs which have passed Stages 1 and 3, or to an alternative option should these stages not be met.
2005/06	<ul style="list-style-type: none"> ▪ First year of allocation to CPPs based on 2004 Index of Deprivation ▪ Tapering arrangements will apply for areas where Deprivation Index signifies a reduction in resources.

	<ul style="list-style-type: none"> ▪ Flexibility for CPPs, in line with their Regeneration Outcome agreement, on where resources should be directed.
2006/07	<ul style="list-style-type: none"> ▪ Second year of allocation to CPPs based on Index of Deprivation. ▪ Tapering arrangements continue for areas where Deprivation Index signifies reduction in resources

STAGE 3 – Regeneration Outcome Agreement

Purpose of Regeneration Outcome Agreement

The third element of the integration process is the production of a Regeneration Outcome Agreement (ROA) by the CPP for approval by Ministers.

The purpose of the ROA is to provide a strategic framework which links national and local priorities for tackling disadvantage with spend and activities, through SIP **and** partners' mainstream resources, aimed at improving outcomes for disadvantaged areas and groups. From 2005/06, the Agreement will provide the basis for each three-year funding period and will be based on the model developed under the Better Neighbourhood Services Fund (BNSF).

[\[http://www.scotland.gov.uk/about/DD/H3/00014328/page412523681.aspx\]](http://www.scotland.gov.uk/about/DD/H3/00014328/page412523681.aspx)

The preparation of the ROA should not be viewed as a stand-alone exercise. Under the Local Government in Scotland Act, CPPs are required to develop and set out a joint vision for their area along with agreed objectives and challenging outcomes. Many CPPs already have such a vision and objectives, usually in the form of a Community Plan. In addition, many CPPs already have, as part of their Community Plan or separately, a Strategy or strategies for regenerating communities and tackling disadvantage at both local authority-wide and neighbourhood or SIP level. Such strategies should be a precursor to the ROA. It is also a key element of the Statement of Readiness necessary as part of Stage 1 of the integration process.

Content of Agreement

The ROA should provide the strategic framework for the CPP and individual partners to improve outcomes for targeted disadvantaged areas and for thematic approaches. These outcomes should be the key driver for developing services aimed at closing the gap between disadvantaged communities and the rest of the population. Within a framework of national priorities and consistent with the CPP's wider regeneration priorities, outputs and outcomes should be locally driven and should be measurable at local authority-wide and neighbourhood level.

The Regeneration Outcome Agreement should, as a minimum, cover the following:

- A clear statement of the Community Planning Partnership's strategic regeneration objectives

derived from the Community Plan and/or other relevant partnership strategies and its links with other plans and strategies as appropriate (eg.LHS);

- A brief overview of how existing key strategies mainstream services and expenditure and opportunities, such as large scale public and private capital investment, fit with these strategic regeneration objectives;
- Relevant key baseline information about the area, identification of the areas/groups to be targeted and the rationale for this in terms of disadvantage and the record of previous regeneration activity;
- Clear, measurable and time-bound outcomes to be achieved from specific, targeted regeneration funding, mainstream and other expenditure. We would expect outcomes to reflect local authority-wide and neighbourhood priorities and circumstances, but have a clear link to national priorities (see below);
- Clear, measurable and time-bound outputs (i.e. actions and activities) that will be delivered, and by which agencies/groups. These outputs should be strongly and directly related to the achievement of outcomes;
- Robust baselines for the outcomes and outputs and arrangements for monitoring progress against these;
- Evidence that partners, especially those with a statutory duty to participate in community planning, are targeting resources and 'bending the spend' towards the target areas and groups identified in the ROA
- Evidence of genuine community involvement, particularly at targeted neighbourhood levels, in setting outcomes and outputs and in ongoing monitoring;
- If and where appropriate, how the CPP will manage the gradual change from current SIP priorities and expenditure to those priorities and activities detailed in the ROA.

The scale and detail of the ROA will depend on the extent and nature of disadvantage in a particular CPP area. As with the readiness criteria, it is intended that there will be flexibility for CPPs in the development of their ROAs, particularly in the transitional year. Those CPPs that receive substantial SIP resources, and those that include BNSF and/or regeneration funds associated with the Community Ownership Programme (see below), will be expected to provide significantly more sophisticated Agreements than those with limited disadvantage.

It is recognised that, for many CPPs and communities, the development and delivery of a ROA is a new and different approach to tackling disadvantage. CPPs will be expected to submit ROAs for the period 2005-08 by December 2004 with a view to transferring SIP Funds to CPPs from 2005/06. These three year ROAs should be informed by SIP Funding allocations (based on the new Index of Deprivation), partners' commitments and other funding sources over the period 2005-08.

Although SIP Funding allocations for 2004/05 have been confirmed, allocations for 2005/06 to 2007/08 (based on the new Index of Deprivation), will not be known until summer 2004. Furthermore, during 2004/05 CPPs are expected to maintain significant expenditure on existing SIP areas and themes. Consequently, CPPs seeking to integrate with SIPs prior to April 2004

are expected to submit a transitional ROA for 2004/05 only. CPPs with former RPs will also be expected to submit a transitional ROA. CPPs wishing to integrate from 1 April 2004 should provide a transitional ROA by the target date of January 2004, though there will be flexibility to permit later submissions if required.

The transitional ROA will be considered as a 'stepping stone' to a more developed and refined ROA for the period 2005-08. The content of this transitional ROA is expected to follow the same principles as for the three year ROA (set out above) but it is appreciated that this will be a learning process for many. Its emphasis is likely to be on broad outputs and outcomes associated with existing SIP activities. However, CPPs will wish to use a transitional ROA to outline their longer term approach to regeneration linked more closely to national and local priorities.

The ROA and other Regeneration Funds

The ROA is expected to show how SIP **and** partners' mainstream resources will improve outcomes for disadvantaged communities. It is expected that over time the ROA may cover a range of targeted regeneration funds. At this stage CPPs may wish to bring together SIP Funds, existing Better Neighbourhood Services Funds and regeneration funding associated with community ownership under a single ROA.

Better Neighbourhoods Services Fund

The Scottish Executive's Better Neighbourhood Services Fund (BNSF) is providing £90m over the period 2001-04 to improve services for disadvantaged communities. In the 12 Pathfinder areas where BNSF operates, CPPs will already have developed and implemented Local Outcome Agreements. Furthermore, in many cases Pathfinders will carry BNSF monies forward beyond 2003-04. Where this is the case CPPs may wish to bring together their Outcome Agreements for BNSF and SIP Funds into a single ROA covering existing BNSF outcomes and additional outcomes associated with SIP Funds.

Regeneration Funds and Community Ownership

The Executive is making £175m available to local authorities to 2005-06 for regeneration linked to community ownership of council housing. The Expert Group on Community Ownership is considering the most effective use of this funding. However, to make a case for accessing this funding, local authorities will first have to be accepted onto the Community Ownership Programme (COP). The main but not the only requirement for this is a fully costed business case for housing stock transfer. Local authorities and their community planning partners will also need to show how the stock transfer proposal relates to the CPP's wider approach to regeneration

For those areas that are accessing regeneration funds linked to the COP, the outcomes to be achieved will reflect the nature of the regeneration process, for example, a focus on demolitions and new build, and the additional resources being provided for regeneration under the COP. The ROA for SIP Funds could be developed to cover the outputs and outcomes associated with regeneration funds linked to the COP, though it should be noted that SIP funds will be allocated irrespective of an authority's approach to its housing stock.

National Priorities for SIP Expenditure

A Partnership for a Better Scotland : The Partnership Agreement sets out the policies for the Scottish Executive over the next four years. Work to encourage and stimulate economic growth, work to tackle poverty and disadvantage, to improve and sustain our environment and to help all our communities live in peace and safety are highlighted.

It has also been recognised, most notably through the development of the community planning process, that there has to be a clearer, more defined link between national, local and neighbourhood priorities. (<http://www.scotland.gov.uk/library5/planning/frcp-00.asp>). Research has also highlighted that CPPs need to prepare clearly articulated rationales for their work which make explicit links between national and local priorities¹.

It is expected that SIP funds should be more focused on one or more of the following national priorities, as appropriate to local circumstances and priorities:

- Building strong, safe and attractive communities;
- Getting people back into work;
- Improving health;
- Raising educational attainment; and
- Engaging young people, for example through arts, sport and physical activity.

In addition to the five national priorities set out above, there is a 'horizontal' priority:

- The effective engagement of communities in the process of deciding how priorities are established and addressed at local level.

Services or initiatives receiving SIP funds should make a significant contribution to outcomes associated with these priorities. It will be for CPPs to decide, the balance between priorities in accordance with local needs and circumstances. Outcomes should be set out in the ROA with a clear emphasis on closing the gap between disadvantaged communities and the wider population, along with the outputs (actions and activities) that will generate the outcomes. Systems should also be put in place to gather baseline data and assess progress against

¹ Cambridge Economic Associates, Developing a Transition Framework for SIPs: Interim Programme Review, Communities Scotland Precis 26

outcomes. CPPs are encouraged to focus on a limited number of outcomes for each of its priorities. It is expected that activities linked to these priorities will have regard to promoting equal opportunities and take account of current good practice on mainstreaming equalities.

The Scottish Executive's social justice milestones, as noted in the Social Justice Annual Report, provide a basis for developing a menu of indicators for regeneration. CPP's will be able to relate outcomes to the key milestones based on their own particular local circumstances.

The following table highlights examples of how these might work. This is set out as an illustration and the examples given are not intended to become the sole focus of activity by CPPs.

National Priority	Example Outcomes
Building strong, safe communities	<ul style="list-style-type: none"> ▪ Reducing crime rates (reported and survey based) ▪ Increasing resident's satisfaction with their local area as a place to live ▪ Increase access to a range of affordable sources of credit
Getting people back into work	<ul style="list-style-type: none"> ▪ Reducing unemployment rates ▪ Increasing number of working age population in employment ▪ Reducing the number of children in workless households ▪ Reducing the number of 16-19 year olds not in education, training or employment
Improving health	<ul style="list-style-type: none"> ▪ Reducing deaths from coronary heart disease in people under 75 ▪ Reducing the proportion of mothers smoking whilst pregnant
Raising educational attainment	<ul style="list-style-type: none"> ▪ Increasing school attendance rates ▪ Increasing the proportion of pupils who attain appropriate levels in reading, writing and maths at key stages
Engaging young people, eg through arts, sport and physical activity	<ul style="list-style-type: none"> ▪ Increasing young people's participation rates in arts and sports activities ▪ Raising confidence and self-esteem

Effective community engagement should help achieve sustainable outcomes in the other priorities. Partnerships should plan and measure their performance in community engagement. In future, partnerships should use the standards for community engagement currently being developed as a part of good practice. The table below illustrates some examples of outcomes:

Horizontal Priority	Example Outcomes
Effective Community Engagement	<p>The purpose for community engagement is agreed between partners and is clearly defined.</p> <p>Structures and methods for community engagement are effectively resourced and are fit for purpose.</p> <p>Communities and agency staff have the skills and knowledge required to develop and implement services which are responsive to community needs.</p>

Communities Scotland working with the Scottish Executive and other partners will develop a list of indicators, linked to national priorities which can be used in ROAs. The purpose of this list will be to encourage consistency across Scotland in how essentially similar outcomes are defined and measured, and to assist CPPs in defining and measuring outcomes and baselines. This work will link with the work being undertaken by Audit Scotland on behalf of the Community Planning Implementation Group.

The Scottish Executive recognises that there is a range of projects currently funded through SIPs which may not make a direct contribution to outcomes associated with the Executive’s national priorities or the emerging strategies or focus of the Community Planning priorities. Given this, it does not anticipate that all SIP projects will contribute to outcomes linked to national priorities immediately. However, CPPs should seek to align SIP projects/initiatives with the national priorities and CPP priorities over the next 2 to 3 years.

Funding Approach

To date, SIPs have funded a wide range of projects to meet priorities identified at neighbourhood level. Many SIPs have been particularly successful in engaging local communities and in developing a suitably diverse range of approaches to meeting local needs and circumstances. However, research has shown a tendency to focus too much on project work, rather than on tackling the key issues of ensuring core services work to tackle disadvantage and close the opportunity gap, as identified in the Community Regeneration Statement². Given this research, we expect ROAs to move away from funding a plethora of individual and discrete projects, towards SIP funds being more closely focused on a limited number of key priorities and aligning SIP funds more closely with mainstream funding to improve local outcomes.

The services, programmes and budgets of mainstream providers are more significant in scale and potential impact. Some SIPs have had significant success in “bending the spend” of

² Cambridge Economic Associates, Developing a transition framework for SIPs: interim programme review
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mainstream providers and have adopted community budgeting techniques to demonstrate the wider financial contributions they have generated. However, the key finding of research is that the expectation that SIPs would achieve a significant bending of mainstream spend has proved too ambitious in the time-scale available. SIP funding should not be used instead of mainstream funding. CPPs through their ROAs, are expected to demonstrate that mainstream services and expenditure are being skewed to the target communities identified in the ROA and that, where appropriate, additional resources are being provided to close the gap between these communities and the rest of the population in the CPP area. In this respect, it will be particularly important for the core community planning partners (i.e those with a statutory duty to lead or participate in community planning) to lead by example.

It is also recognised that many SIPs, with the support of mainstream partners, have built an infrastructure of service delivery that involves voluntary sector partners. The flexibility to develop such responses to neighbourhood circumstances should continue. Therefore the future use of SIP funds should continue to offer the opportunity for packages of funding to be developed in partnerships between the voluntary sector and the public sector. In this process it will be important to be mindful of the opportunities for access to other funding support eg. European Structural Funds or lottery funding .

In some cases, it may be that the CPP will wish to use SIP funding to develop an innovative means of delivering services. This is to be encouraged as part of a need for continuous improvement.

Reporting Arrangements – Annual Report

Each CPP will be expected to produce an Annual Report setting out what they have achieved against the Regeneration Outcome Agreement, particularly in terms of outcomes. The Annual Report will also provide an opportunity for CPPs to review and update their ROA to take account of changing circumstances and opportunities and/or to cover other funding streams such as the BNSF and/or regeneration funds associated with the CPP.

The Annual Report will provide the principal mechanism for reporting on and assessing the CPP's effectiveness in tackling disadvantage. As such, it will provide the basis for confirming continued SIP funding to CPPs in future years alongside any further action that may be required. It will also be an important part of the system which will be developed to recognise effective approaches to regeneration. Communities Scotland will provide guidance on the preparation of Annual Reports, including their format and content.

Role of Communities Scotland

Communities Scotland currently manages the SIP Programme, undertaking this role centrally, and locally through our area network. The Agency will also oversee the development and implementation of the integration process.

Communities Scotland Area Teams will act as community planning partners and provide support and guidance to assist CPPs in the various stages of integration. Locally based staff have played a key role in supporting a range of partnerships for many years and will continue in this role, both at the level of the strategic CPP and, where appropriate, as partners in local partnerships. The central Regeneration Division of Communities Scotland, working with colleagues in the Scottish Executive, will make recommendations to Ministers at the various stages of the process.

Communities Scotland will have a continuing role beyond the integration period which will include the following:

- Ongoing participation as partners in Community Planning Partnerships,
- Encouraging effective community engagement and involvement in the community planning process, particularly in relation to regeneration.
- Promoting good practice between Partnerships in relation to housing and regeneration issues,
- Annual reporting to Ministers on progress with Regeneration Outcome Agreements,
- Working with the Scottish Executive and other partners to develop a list of indicators for use in ROA's and support in developing and implementing appropriate monitoring frameworks for regeneration,
- Ongoing advice and support to partners and partnerships on regeneration issues.

Communities Scotland
21 August 2003

STATEMENT OF READINESS OF THE CPP

1. Strategic Approach/Focus on Disadvantage

CPPs must demonstrate that they have an agreed strategic approach to regeneration and tackling disadvantage which:

- Shows a clear and public commitment to closing the gap between the most disadvantaged communities and the remainder of the CPP area.
- Identifies clear, evidence based, priorities for 'closing the gap' in terms of those areas and/or groups in most need and priorities for these communities.
- Uses SIP Funds and other funding streams to lever in and influence mainstream spend and services.
- Links regeneration to the planning and decision-making processes of partners so that partners' mainstream services and budgets are working to 'close the gap'.
- Addresses and links the economic, social and environmental needs of communities.

2. Partnership Working in Tackling Disadvantage

CPPs must demonstrate that they have, or are developing, clear and effective ways of working in partnership at a strategic and local level in support of tackling disadvantage. In particular, CPPs should:

- Outline their key community planning structures and show that these structures have clearly defined roles and remits, in terms of regeneration, and clear lines of communication and reporting structures.
- Develop a clear statement about the way that partners will work together effectively, including how information will be shared and how partnership work will be supported.
- Outline existing and/or planned mechanisms for working in partnership at a local level or on particular themes, and show how these mechanisms are linked to the strategic CPP and the planning and delivery of services and regeneration activities.
- Demonstrate that existing SIPs have been involved in the process.
- Agree and show how existing SIP structures and responsibilities will be integrated with community planning arrangements.
- Show that effective local/neighbourhood mechanisms for partnership working exist or are being developed in target areas, and that there are clear links between strategic and local/ thematic partnerships.
- Show that all partners can influence the community planning and regeneration process and that partnership working is not dominated by a few partners.
- Demonstrate that they review and improve how they work in partnership.

3. Effective Community Engagement

Effective and genuine community engagement is at the heart of Community Planning. The Statement of Readiness will require CPPs to demonstrate that they have:

- Effective arrangements for engaging communities (in place or being developed) especially the most disadvantaged, in community planning and regeneration so that communities can influence the planning and delivery of services at a strategic and local level.
- Existing community engagement structures operating within SIPs involved in the process.
- Engaged, or propose to engage, a broad range of representative structures within communities.
- Developed, or are developing, other approaches to engagement such as consultation exercises, market research/survey work and innovative approaches to involving 'difficult to reach' groups are also being used.
- Support and funding provided to build community capacity and help communities engage effectively in community planning and regeneration processes.
- Mechanisms to review and improve methods of engaging communities in a systematic way and that communities are involved in this process.

4. Performance and Outcome Monitoring

Effective monitoring and evaluation is an essential element of being transparent and accountable. CPPs must demonstrate that effective systems are in place or being developed for:

- Gathering baseline data on areas and/or communities of interest and using this to inform priorities for 'closing the gap' and the planning and delivery of services
- Monitoring whether strategies/plans and expenditure commitments are actually translated into delivery and have processes for taking action when this is not the case.
- Assessing progress against defined and measurable outcomes.
- Ensuring the monitoring and evaluation of strategies, services and initiatives/projects is used to inform planning, delivery and funding decisions
- Reporting on activities and progress, both positive and negative, to partners, communities and, where appropriate, Communities Scotland and the Scottish Executive.