

REPORT TO: POLICY AND RESOURCES COMMITTEE - 7 DECEMBER 2009

REPORT ON: FAIRER SCOTLAND FUND 2009/10 AND TRANSITION TO MAINSTREAM

REPORT BY: ASSISTANT CHIEF EXECUTIVE

REPORT NO: 591-2009

1. PURPOSE OF REPORT

1.1 The report sets out the Dundee Partnership's recommendations for ensuring a minimal Fairer Scotland Fund carry forward to 2010/11 and budgets for ongoing regeneration activity between 2010/11 and 2012/13.

2. RECOMMENDATIONS

2.1 Committee is asked to endorse the Dundee Partnership's funding proposals contained in Appendix 1.

3. FINANCIAL IMPLICATIONS

3.1 Providing that the necessary savings are achieved, all of the recommendations can be met from the mainstreamed former Fairer Scotland Fund allocation which forms part of Dundee City Council's block allocation for 2010/11.

4. BACKGROUND

4.1 Changes to the Fairer Scotland Fund

4.1.1 In December 2007, the Scottish Government announced the creation of a new fund to tackle poverty and deprivation across Scotland. The Fairer Scotland Fund (FSF) replaced a number of previous programmes and funding streams. The Dundee allocation from the Fairer Scotland Fund was as follows:

Table 1 : Fairer Scotland Fund Allocation to Dundee

2008/9 (£M)	2009/10 (£M)	2010/11 (£M)
8.441	8.286	8.131

4.1.2 The Scottish Government's guidance explained the changing status of the funding:

"The allocation is ring-fenced for the first two years of the period, in order to provide transparency and ensure that all Community Planning partners can play a part in driving 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 within Community Planning Partnerships".

4.1.3 The funding proposals included in the report to the Dundee Partnership Management Group (Appendix 1) are directly linked to the achievement of the top priorities in the Single Outcome Agreement for Dundee 2009-2012, which was agreed by Dundee City Council on 22 June 2009.

- 4.1.4 The process of agreeing these recommendations within the Dundee Partnership is based on the transition from the Community Regeneration Fund (and others) to the Fairer Scotland Fund which began in 2007 and endorsed by the Policy and Resources Committee on 10 March 2008. The current process is improved through earlier and broader partner involvement in priority setting, assessment of projects and the development of the Single Outcome Agreement. Partners have been fully engaged in agreeing savings targets will share the responsibility for recommending the programme of ongoing projects. Extra reassurance is provided through the appeal process which will be available to all unsuccessful projects.
- 4.1.5 The proposals for utilising Fairer Scotland Fund underspend in 2009/10 support activity which is tackling deprivation, making a significant contribution to the achievement of physical priorities within Local Community Plans and provide a 'kick-start' to a range of thematic priorities which will continue to be addressed from mainstream funds in 2010/11 (see Appendix 1, para 5.4).
- 4.1.6 The budget for 2010/11 of £6,553,914 accommodates the financial pressures facing the Council over the next few years while offering projects the security of 3 year funding contracts. This will be achieved through the generation of 15% savings across thematic partnerships with the exception of Substance Misuse because of the priority given to this issue across the Dundee Partnership and the disproportionately small share of the existing FSF budget directed towards tackling alcohol and drug problems (see Appendix 1, para 7.3)

4.2 Detailed Proposals

- 4.2.1 To identify savings thematic partnerships are undertaking a thorough assessment and scoring of every FSF project. Using this information they will recommend their ongoing programme of activity to the Dundee Partnership Management Group in December 2009. If savings achieved exceed the required level, thematic partnerships will be able to reallocate funding to commission new activity or expand existing activity. There will also be scope to renegotiate service level agreements to improve performance and strategic alignment to priority outcomes.
- 4.2.2 Projects which will no longer receive Fairer Scotland funding will be informed by the end of December and advised of the process and grounds for appeal (details will be agreed by the Dundee Partnership Management Group in December). Lead officers of the FSF Implementation Team will work with unsuccessful projects to discuss exit strategies as necessary and to highlight any ongoing client needs to relevant partners. The Dundee Partnership will meet the cost of redundancies associated with the loss of funding as of 31 March 2010.
- 4.2.3 For ongoing projects, discussions will be in early 2010 to confirm the service level agreements, budgets and performance targets which underpin the funding allocations for the 3 year awards.

5. **POLICY IMPLICATIONS**

- 5.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.
- 5.2 There is a close relationship between the Council's anti-poverty targets and the focus of the continuing ex FSF activity. The majority of this funding will target geographic

communities which fall within the most disadvantaged 15% datazones in the 2009 Scottish Index of Multiple Deprivation.

5.3 This report does not require additional action in relation to Strategic Environmental Assessment.

6. **CONSULTATIONS**

The Chief Executive, Depute Chief Executive, Director of Finance have been consulted on the contents of this report. Trade Unions and relevant staff have also been consulted in developing the proposals in this report.

7. **BACKGROUND PAPERS**

None.

Chris Ward
Assistant Chief Executive

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01/12/2009

**REPORT FOR: DUNDEE PARTNERSHIP MANAGEMENT COMMITTEE -
13 NOVEMBER 2009**

REPORT ON: FAIRER SCOTLAND FUND 2009/10 AND 2010/11

1. PURPOSE OF REPORT

1.1 This report proposes a number of non-recurring revenue allocations to minimise an FSF carry forward from 2009/10 and identifies a budget for ongoing activity in 2010/11.

2. RECOMMENDATIONS

The Management Group is asked to agree to:

- a) approve the additional programme of non-recurring projects to be met from the FSF underspend of £1.46m in 2009/10
- b) award three year funding contracts to ongoing projects subject to satisfactory service level agreements and annual reviews
- c) the transition to six community regeneration forums each with a 3 year allocation of £125,000
- d) a budget for 2010/11 of £6,553,914 to support activity currently funded through the Fairer Scotland Fund and the required level of savings to projects and supporting costs
- e) the decision-making process set out in section 8

3. FINANCIAL IMPLICATIONS

3.1 Providing that the necessary savings are achieved, all of the recommendations can be met from the mainstreamed former Fairer Scotland Fund allocation which forms part of Dundee City Council's general revenue funding from 2010/11.

4. BACKGROUND

4.1 Changes to the Fairer Scotland Fund

4.1.1 In December 2007, the Scottish Government announced the creation of a new fund to tackle poverty and deprivation across Scotland. The Fairer Scotland Fund (FSF) replaced a number of previous programmes and funding streams. The Dundee allocation from the Fairer Scotland Fund was as follows:

Table 1 : Fairer Scotland Fund Allocation to Dundee

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8.441	8.286	8.131

4.1.2 The Scottish Government's guidance explained the changing status of the funding:

"The allocation is ring-fenced for the first two years of the period, in order to provide transparency and ensure that all Community Planning partners can play a part in driving 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 within Community Planning Partnerships".

- 4.1.3 The removal of the ring-fence has been confirmed and the Scottish Government provided further explanation on the implications of the mainstreaming of these resources.

"As the FSF has been rolled up, it is then the responsibility of each local authority to allocate the total financial resources available to it on the basis of local needs and priorities, having first fulfilled its statutory obligations and the jointly agreed set of national and local priorities, including the Scottish Government's key strategic objectives".

5 UTILISING THE FSF CARRY FORWARD

- 5.1 When making the initial Fairer Scotland allocations in 2008, the Partnership was mindful of the impact of the funding taper which showed a reduced level of funding available by 2010/11. The Partnership approved at that time the development of a 'contingency' within the Fairer Scotland Fund which would be carried forward to accommodate cost pressures in year 3 of the programme. This approach was to be permitted by the Scottish Government which had given approval for carry forwards within the period of the Fairer Scotland Fund while making clear that the full allocation would have to be spent by the end of March 2011.
- 5.2 Recently, however, the Scottish Government has signalled its current thinking on carry forwards. Because of "a climate of strong competing pressures on resources", CPPs are expected to "maximise spend this year and ... in the context of the continuing economic downturn [the Scottish Government] would expect carry forward requests to be minimal". To achieve a 'minimal' level of carry forward, the Partnership will have to utilise the 'contingency' and projected underspend for 2009/10 by March 2010.
- 5.3 In doing so there would be no sustainability in commissioning activity which requires recurring revenue requirements from this source so it is proposed that the Partnership funds a number of short term, one off capital or revenue projects which can be completed or committed in this financial year.
- 5.4 The following proposals can achieve this while ensuring that the Fairer Scotland Fund supports activity which is tackling deprivation and delivering the priorities in the Single Outcome Agreement for Dundee (see Appendix 1). They will make a significant contribution to the achievement of physical priorities within Local Community Plans and will provide a 'kick-start' to a range of thematic priorities which will continue to be addressed from mainstream funds in 2010/11. Further detail on each of the proposals is given in Appendix 2.

Table 2 : Additional Projects to be met from Fairer Scotland Fund Underspend to 2009/10

Project	Allocation (£000)	Lead Partner
<u>Community Safety and Engagement</u>		
Tayside Police Community Engagement Team	66	Tayside Police
Mobile Substance Misuse Diversionary Facility	100	Tayside Police
Mobile CCTV Unit (12 months hire)	15	Tayside Police
<u>Children and Young People</u>		
Child Protection Early Action	150	DCC Social Work
Substitute Care/Family Placements	265	DCC Social Work
Direct Assistance Payments	60	DCC Social Work
Additional Community Nursing Provision	140	NHS Tayside
New Beginnings and Health	44	NHS Tayside
<u>Health and Care</u>		
Sexual Health and Peer Education	20	NHS Tayside
<u>Building Stronger Communities</u>		
Local Voluntary Sector Resilience Fund	200	Dundee Voluntary Action
Additional Physical Improvement allocation to LCPP/Forums	400	LCPP/Community Regeneration Forums
TOTAL	1,460	

- 5.5 Subject to agreement on the projects above, it is proposed that the remaining carry forward to 2010/11 estimated at £250,000 is earmarked to meet the costs of redundancies and/or exit strategies associated with the achievement of savings in 2010/11.

6 FACTORS INFLUENCING FUTURE FUNDING DECISIONS

6.1 Financial Context for Dundee City Council

In preparing a budget for 2010/11 a number of pressures on all public sector, and in particular, Council budgets must be acknowledged:

- HM Treasury has applied a reduction of £521m in the Scottish Government Budget for 2010/11. The allocation of this reduction against individual councils was not quantified but it is estimated that Dundee City Council's share of the reduction in revenue funding will be 3.8m. A further reduction in capital grant of £1.4m is also anticipated
- Furthermore, the Council has been subject to additional cost pressures relating to areas including Social Work services, revaluation of non-domestic properties and capital resource transfer.
- Based on current projection, the following levels of savings and efficiencies are required in order to achieve the expected Council Tax freeze on each of the following four financial years:

Year	Annual (£m)	Cumulative (£m)
2010/11	5.893	5.893
2011/12	12.553	18.446
2012/13	6.500	24.946
2013/14	5.161	30.107

- In identifying savings from across Council budgets priority must be given to fulfilling statutory obligations and front-line services, as reflected in the Scottish Government's guidance (see 4.1.3 above)

6.2 Funding Relationships with the Third Sector

- 6.2.1 A joint statement on the relationship at local level between Government and the Third Sector was issued in September by the Scottish Government, SOLACE Scotland, COSLA and SCVO. While emphasising the importance of the third sector as an impartial partner of government at all levels, it reflected that there can be barriers to improving financial relationships. It goes on to state that:

"Funds should always consider and justify what grant and contract funding period is most relevant within the context of meeting service user outcomes and overseeing the provision of services. As a general rule funders will aim to take a 3 year approach to both grant and contract funding".

- 6.2.2 The vital role played by voluntary and community projects in achieving the right outcomes and services for vulnerable people and communities on behalf of the Dundee Partnership is clear. The Partnership will therefore propose 3 year funding contracts

from 2010/11 onwards following the removal of FSF ring-fencing. These will be subject to approval of satisfactory service level agreements and annual reviews.

6.3 Community Regeneration Forums

6.3.1 The Community Regeneration Forums have been recognised as best practice by the Scottish Government. They are a strong democratic means of identifying and responding to local need, promote community empowerment and capacity building and work well in representing a community regeneration perspective within Local Community Planning Partnerships. It is proposed that Forums continue and become coterminous with, and closely linked to, Local Community Planning Partnerships. The current budget available to the five existing Forums would instead be shared equally between the six new Forums giving each a budget of £125,000 (See Appendix 3). As with funding contracts with the third sector, it is proposed that the allocations to Forums be agreed for 3 years. A separate paper will describe the ongoing responsibility of the Community Regeneration Forums and their developing relationship with Local Community Planning Partnerships.

6.4 Supporting Costs

6.4.1 Given the need to generate savings, it is essential that supporting costs are kept to a minimum. A saving of £117,350 (28%) can be achieved in the staffing and running costs of the Discover Opportunities Centre. While the work of the FSF Implementation Team will end with the Fund itself, it is proposed that a small unit continues to manage the transition to mainstream, negotiate and agree service level agreements and budgets, introduce standardised performance management and monitoring procedures together with the indicator development and reporting which will be necessary to allow the Partnership to evidence that it continues to 'close the gap' once the ring fence is removed. The costs associated with this unit would result in a saving of £120,985 or 50%.

6.4.2 Where projects do not continue to receive support the Partnership will meet the cost of redundancies and lead officers will discuss exit strategies as necessary and will identify any ongoing client needs with relevant partners.

7 **BUDGET FOR 2010/11**

7.1 In setting a budget for 2010/11 the Partnership must accommodate the financial pressures facing the Council over the next four years and the desire to award 3 year contracts to projects while future funding levels are unknown. As a result, the proposed budget is based on the level of funding which the Council anticipates it can commit to for the full 3 year period to March 2013.

7.2 Expenditure on thematic projects will total £5.373m. Each of the thematic partnerships will be asked to identify savings of 15% to facilitate the awarding of 3 year contracts to projects which they wish to continue. An exception will be made for the Substance Misuse theme because of the recent priority given to this issue across the Dundee Partnership and the disproportionately small share of the existing FSF budget directed towards tackling alcohol and drug problems.

7.3 It is therefore proposed that a budget of £6,553,914 is made available to support activity currently funded through the Fairer Scotland Fund and to adequately address the various factors set out in section 6 above.

Table 3 : Budget for ex-FSF activity in 2010/11 - 'Allocation' of £8.131m

Heading	Budget for 2010/11	Savings
Community Regeneration Forums	750,000	
Projects Total	5,372,552	931,707
Building Stronger Communities	1,152,463	203,376
Community Safety	104,030	18,358
Children and Young People	1,498,377	264,419
Employability	1,281,300	226,112
Health and Care	562,552	99,274
Learning and Culture	235,725	41,599
Substance Misuse	92,876	-
Financial Inclusion	445,228	78,570
Discover Opportunities Centre	308,862	117,350
Monitoring and Performance Management (inc SOA Survey)	122,500	120,985
Unallocated 'Contingency' from Year 3	-	407,044
TOTAL	6,553,914	1,577,086

8 DECISION-MAKING PROCESS

- 8.1 To identify savings thematic partnerships are undertaking a thorough assessment and scoring of every FSF project. Using this information they will recommend their ongoing programme of activity to the Dundee Partnership Management Group in December 2009. If savings achieved exceed the required level, thematic partnerships will be able to reallocate funding to commission new activity or expand existing activity. There will also be scope to renegotiate service level agreements to improve performance and strategic alignment to priority outcomes.
- 8.2 Projects which will no longer receive Fairer Scotland funding will be informed by the end of December and advised of the process and grounds for appeal (details will be agreed by the Dundee Partnership Management Group in December). Lead officers of the FSF Implementation Team will work with unsuccessful projects to discuss exit strategies as necessary and to highlight any ongoing client needs to relevant partners. The Dundee Partnership will meet the cost of redundancies associated with the loss of funding as of 31 March 2009.
- 8.3 For ongoing projects, discussions will be in early 2010 to confirm the service level agreements, budgets and performance targets which underpin the funding allocations for the 3 year awards.

Appendix 1 - Fairer Scotland Fund and Dundee Single Outcome Agreement: Priorities and Principles

Dundee SOA Priorities	FSF Priorities	FSF Principles for Investment
Jobs and Employability	Employability (incl young people and hard to reach)	Improving Employability
Children and Young People		Early interventions for vulnerable individuals, families and communities
Inequalities and Deprivation	Tackling Poverty and Disadvantage	Address Causes of Poverty
Physical and Mental well-being	Regenerating most Disadvantaged Communities	Empowering Communities and Individuals
		Joint Working between local Partners

Fairer Scotland Fund 2009/10 - Project Proposals**Theme : Community Safety and Engagement**Tayside Police Community Engagement Team

Tayside Police, in partnership with the Community Safety Partnership, will create and deploy a Community Engagement Team, on an intelligence led basis, to deal with crime and anti-social behaviour issues in LCPP areas with specific identified problems. This team will comprise of the 4 Constables already funded by the CSP who currently make up the Divisional Anti-Social Behaviour Team, enhanced with an additional Sergeant and two further Constables, to give an operational team of 1 x Sergeant and 6 x Constables.

Mobile Substance Misuse Diversionary Facility

This mobile resource will bring activities and opportunities to young people who are engaged in, or at risk of, misusing drugs and alcohol within communities in Dundee. It will provide the focus for more effective co-ordination of a partnership approach to alcohol and substance misuse and tackling anti-social behaviour through the delivery of information, learning opportunities and access to services in hotspot areas where there are no adequate alternative facilities.

Mobile CCTV

Mobile CCTV allows for a flexible response to concerns raised by partners through the introduction of a quick and targeted mobile CCTV presence. These resources are hired on a year to year basis to ensure that the most up-to-date equipment is available without the need to meet servicing and maintenance costs.

Theme : Children and Young PeopleChild Protection Early Action

Four additional staff will increase the ability to meet immediate concerns about vulnerable children and ensure that a co-ordinated timely and effective response is provided by local services.

Family Placements

An increase in external family placements is required to meet needs of young people in Dundee. Circumstances which create the need for external family placements include child protection issues, substance misuse, behavioural issues and bereavement.

Direct Assistance

Direct assistance payments provide direct financial support to families e.g. to facilitate contact visits to reinforce parenting and family relationships which will reduce the likelihood of the need for children to be looked after by the local authority.

Additional Community Nursing Provision

Expand health visiting provision to develop and embed key policies and procedures to protect vulnerable children and families into regular Health Visiting practice. This will increase access to information, advice and support for families and ensure a clear and continued focus on the Child Protection agenda.

New Beginnings and Health

This will support the New Beginnings project which will create a new one door access point for multi-agency services. They will respond to the needs of all unborn babies and babies under the age of one who are affected by compromised parenting because of substance misuse, mental health, learning disability or domestic violence. The NHS component of this will be delivered through the employment of a specialist midwifery resource based in the community midwifery service, working with the New Beginnings team in a liaison role. The specialist midwife assists with the identification of substance misuse and makes appropriate referrals during both the ante-natal and post-natal period.

Theme : Health and Care

Sexual Health and Peer Education

The peer education pilot aims to test out more effective and relevant approaches to the delivery of sex and relationships education in two secondary schools in deprived communities of Dundee and ultimately to change attitudes and behaviour to early sexual activity and parenthood.

It is a collaboration between the NHS, Education and The Corner. Outcomes include: a positive and more consistent, evidence-based educational experience; increased self-esteem & confidence of pupils and peer educators; greater understanding of the range of information and sexual health services and how to access them; and the ability to make positive choices about sexual health & relationships. In addition, teachers will be better supported and peer educators will develop new skills and attain formal accreditation.

Two peer education workers will be employed, providing training and support to the peer educators and the development and provision of new educational materials.

Theme : Building Stronger Communities

Additional Physical Improvement Allocation to LCPP/Community Regeneration Forums

An additional £80,000 will be made available to the five existing Community Regeneration Forums to respond to physical improvement priorities within Local Community Plans. An analysis of all plans has identified the four top priorities against which funding should be allocated:

- Play areas, green and open spaces
- Footpaths
- White lighting and other security lighting
- Car parking and traffic calming

Additional allocations should be commissioned in full by the end of March 2010. Support to ensure that projects can be quickly identified and commissioned will be offered from relevant partners.

Local Voluntary Sector Resilience Fund

This fund will provide a dedicated local equivalent to the national Resilience Fund which aims to mitigate the twin impacts of the recession on some organisations of increased demand for their services and cash flow difficulties. It will provide a one-off cash injection to organisations that can demonstrate they provide essential front-line services which, as a result of the recession,

require short-term financial support to maintain these services and secure the long-term future of the organisation.

The fund will be facilitated through Dundee Voluntary Action with funding approval through the Building Stronger Communities Group. All allocations should be made by the end of March 2010.

Appendix 3

Ward/Forum/LCPP	Allocation (£)
Strathmartine	125,000
Lochee	125,000
Coldside	125,000
Maryfield	125,000
North East	125,000
East End	125,000