

ABERDEEN CITY COUNCIL

COMMITTEE Finance and Resources **DATE** 12th November 2009

CORPORATE DIRECTOR Stewart Carruth

TITLE OF REPORT Community Planning Partnership Fairer
Scotland Fund

REPORT NUMBER CG/11/100

1. PURPOSE OF REPORT

Presents for members consideration options for the future provision, disbursement and management of the Fairer Scotland Fund in the 2010-11 budget.

2. RECOMMENDATION(S)

It is proposed that the Council agrees to:

- I. consider the level of funding allocation from the identified £2.843 million in the 2010 – 11 Revenue Support Grant to The Aberdeen City Alliance's Fairer Scotland Fund Board as part of the budget setting process.
- II. delegate authority to the Director of Corporate Governance to ensure the efficient and effective governance of the disbursement of the funds allocated to The Aberdeen City Alliance's Fairer Scotland Fund Board and act as the Council's advisor to the Board.
- III. instruct the Director of Corporate Governance to provide twice yearly updates to The Aberdeen City Alliance and the Corporate Performance and Policy Committee, on the outcomes achieved through the investment of the Fairer Scotland Fund in February and October.
- IV. receive a report in February regarding the arrangements for the Fairer Scotland Fund staff team.

3. FINANCIAL IMPLICATIONS

The Fairer Scotland Fund is a relatively new fund created by the Scottish Government, in December 2008 aimed at tackling poverty and deprivation. The first two years of the fund has been ringfenced within the Councils budget for the Community Planning Partnerships in order to support partners to work together to tackle area-based and individual poverty; and to help more people access and sustain employment opportunities.

In 2008/2009 the allocation to The Aberdeen City Alliance amounted to £2.118m and in 2009/2010 it is £2.481m. In 2010-11 the FSF allocation is no longer ringfenced and The Aberdeen City Alliance allocation of £2.843 million will be paid to Aberdeen City Council as part of its block allocation paid via Revenue Support Grant.

Currently the allocation of Fairer Scotland Fund is based on a formula applied by the government using the Scottish Index of Multiple Deprivation 2006. The Scottish Index of Multiple Deprivation was published on the 29th October a report on this is being reported to the Corporate Policy and Performance Committee on the 7th December.

It is not known at this point if the government intends to continue to use the existing formula as the basis for identifying the levels of Fairer Scotland Fund. It is also not possible to identify how much funding would be available from 2011/2012 onwards as we do not yet know whether the Government will be retaining this budget in the future years.

A joint statement from the Scottish Government and COSLA "Equal Communities in a Fairer Scotland"

(<http://www.scotland.gov.uk/Topics/Built-Environment/regeneration>

full statement in the members library) was issued on the 29th October along with the SIMD 2009 and contains information on the expectations in relation to tackling areas experiencing multiple deprivation within the context of "Achieving our Potential Framework for Tackling Poverty" and the Single Outcome Agreement. The Government has confirmed that the £2,843 million identified to the Council in 2007 will be included in the general settlement for 2010/11. The Scottish Government and COSLA are reviewing the existing local government finance distribution methodology. Part of this review is to consider how all current and former ring-fenced grants, including FSF, should be distributed in the future. Any agreed changes will be used to inform the allocation of funding to local government from 2011-12 after the next Spending Review.

Currently Aberdeen City Council applies a 5% admin fee for administering the grant - this equates to £110k in 2009/10.

Consideration is being given to the preparation of the Councils 2010/11 budget which will require budget allocations to be reviewed in the light of the 2010/11 local government settlement expected late October/ Early November.

4. SERVICE & COMMUNITY IMPACT

The Fairer Scotland Fund is an intrinsic part of the Single Outcome Agreement and is being applied to support specific national outcomes identified within the current Single Outcome Agreement (see Appendix 1).

The Fairer Scotland Fund contributes to a wide range of objectives contained within Vibrant, Dynamic and Forward Looking in relation to tackling disadvantage; regeneration and closing the gap between Aberdeen's most disadvantaged communities and the rest of the city (see Appendix 2).

An Equalities and Human Rights Impact Assessment has been completed and will be published on the Councils website. Approval of the recommendations in relation to continuation of levels of funding to support our communities and individuals in most need through the partnership arrangements and initiatives funded through Fairer Scotland Fund demonstrates positive action to address poverty.

5. OTHER IMPLICATIONS

Legal

Projects funded from Fairer Scotland Fund grant are required to meet specific terms and conditions and comply with State Aid regulations where required and to comply with the guidance to local authorities on “Following the Public Pound”.

Personnel

The Fairer Scotland Fund provides grants to a wide range of community based organisations and Public services which combined employ 60 FTE staff paid out of the fund. There will be potential implications in relation to redundancy if these projects and initiatives are not continued.

The Fairer Scotland Fund Support Team of 3 staff are directly funded from the FSF allocation and represents 5% of total budget.

The team are responsible for fund allocation, reporting, monitoring, evaluation of projects and initiatives, partnership building, advising applicants, supporting the Regeneration Matters community representatives group, administering and managing the Fairer Scotland Fund on behalf of the Fairer Scotland Fund Board.

Subject to the Committees approval to continue to allocate the Fairer Scotland Fund a further report will be produced for consideration by the Committee detailing the ongoing staffing arrangements.

Property

No implications.

Equipment

No implications

Sustainability and Environmental

Fairer Scotland Fund has a role to play in tackling community based issues which effect sustainability and contribute to improving environment and well being for communities and individuals (see Appendix 2).

Risk Management

Failure to continue to address the needs of Aberdeen's most disadvantaged communities through the Fairer Scotland Fund would have a detrimental effect for the individuals and communities involved and potentially increased costs in the long term for public services. Supporting people into employment, maximising peoples income, providing early intervention in relation to education and health is not only a better outcome for individuals but reduces the costs involved in responding to the affects of poverty in the long run.

There is a risk that the Council and its partners will be unable to deliver on significant elements of the Single Outcome Agreement if the Council does not confirm a commitment towards the projects and initiatives being funded through the Fairer Scotland Fund. The Fairer Scotland Fund is being used to progress programmes of work that have been developed through the Community Planning Forum Structures including e.g. Aberdeen Works, the Community Health Partnership, the Learning Forum and the Community Safety Partnership.

The Corporate Policy and Performance Committee of the 10th September 2009 approved a draft Anti-Poverty Strategy, "Achieving Our Potential: Tackling Poverty and Income Inequality in Aberdeen City" and noted that the Fairer Scotland Fund currently funds significant anti-poverty initiatives. Failure to continue investment might signal a reduction in the Council's ability to deliver its anti-poverty commitment.

There is a risk to the Council's ongoing relationship with our Community Planning Partners should there be a proposed divergence from the current practice of ensuring FSF is subject to decision making within Community Planning structures.

6. REPORT

Main Considerations

- 6.1 The Aberdeen City Alliance on the 13th March 2008 considered a report on the future management and disbursal of the Scottish Governments new Fairer Scotland Fund.
- 6.2 The Scottish Government have identified the following key principles for the 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 on improving employability as a key means of tackling poverty;
 - Empowering communities and individuals to influence and inform the decisions made by Community Planning Partnerships.

6.3 The eight identified national outcomes for the Fairer Scotland Fund are:

- We realise our full potential with more and better employment opportunities for our people.
- Our young people are successful learners, confident individuals, effective contributors and responsible citizens.
- Our children have the best start in life and are ready to succeed.
- We live healthier, longer lives.
- We have tackled the significant inequalities in Scottish society.
- We have improved the life chances for children, young people and families at risk.
- We live our lives safe from crime, disorder and danger.
- We live strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.

6.4 As part of taking forward decisions regarding the use of the Fairer Scotland Fund, the Aberdeen City Alliance agreed to establish a Fairer Scotland Fund Board currently chaired by Mrs Massie, as chair of The Aberdeen City Alliance. The current membership of the Board is as follows:

- The Aberdeen City Alliance Chairperson – Mrs. Lavina Massie
- 3 Aberdeen City Council (TACA) members –Cllr Neil Fletcher, Cllr Jim Noble, Cllr Gordon Graham.
- 3 Aberdeen City Alliance Participating Partner representatives (1 Grampian Police, 1 Grampian Health Board, 1 ACVO)
- 10 Community representatives, 7 from the Regeneration Network representing priority regeneration priority regeneration communities and 3 from the Civic Forum representing disadvantaged vulnerable groups city wide.

6.5 As part of the initial; 6 month transitional period the Fairer Scotland Fund Board commissioned an independent evaluation regarding all the previous government programmes being replaced by the new Fairer Scotland Fund Board (Community Regeneration Fund, Working for Families, Community Voices, More Choices More Chances) to determine how these contributed or otherwise with Fairer Scotland Fund objectives.

6.6 Following the outcome from this evaluation the Fairer Scotland Fund Board has agreed its programme of work for 2009/2010 targeted on need, and aimed at achieving accelerated impact for the city's most deprived datazones. The Board has agreed the following priority themes for the investment of the Fund:

- Income and Financial Inclusion
- Employment and Training
- Health
- Education
- Community Safety

These will be reviewed annually in light of future Scottish Index of Multiple Deprivation publications.

- 6.7 Appendix 2a provides further information regarding these themed programmes of activity. Appendix 3 identifies the range of projects operating at a neighbourhood level that are currently funded and contribute towards the Fairer Scotland Fund objectives.
- 6.8 As the Scottish Governments award to The Aberdeen City Alliance of £2.843m in 2010/11 will be paid to Aberdeen City Council as part of the Revenue Support Grant block allocation and ringfencing is being removed, there is a need for the Council to confirm to The Aberdeen City Alliance how it intends to disburse this fund in 2010/11.
- 6.9 Appendix 2a contains 3 options for the potential future development of the Fairer Scotland Fund, which formed the basis of the consultation on this report with stakeholders.
- 6.10 The Fairer Scotland Fund Board at its meeting on the 8th October considered the options contained at Appendix 2a and concluded unanimously that Option 1 maintaining current arrangements and identifying areas for improvement is their preferred option for Fairer Scotland Fund in 2010/ 2011.
- 6.11 In response to the consultation Aberdeen and Grampian Chamber of Commerce have confirmed their support in relation to the local distribution of the Fairer Scotland Fund and investment in support for those furthest from the job market to take up employment opportunities.

Conclusions and Officers' Recommendations

- 6.12 Aberdeen City Council has a statutory responsibility to deliver Community Planning in our city. The Single Outcome Agreement with Community Planning Partners includes an expectation that the significant inequalities that exist in our city are tackled. The continued commitment of Fairer Scotland Fund provides a valuable Community Planning resource to tackle poverty.
- 6.13 The future development of Community Planning in Aberdeen and the delivery of the Single Outcome Agreement is dependent on both the finances needed to progress delivery and the quality of the relationship we build with our partners. The partnership approach developed through the Fairer Scotland Fund Board is a positive example of Community Planning in the city bringing direct benefit to individuals and communities.
- 6.14 The Single Outcome Agreement with Community Planning Partnerships includes an expectation that poverty is addressed and the Government expects to see accelerated impact on the most deprived areas of Scotland from the use of Fairer Scotland Fund allocations. There is therefore a need to ensure that all mainstream resources that the Council and our partners invest in our most disadvantaged communities are achieving

improved outcomes for communities. Fairer Scotland funded initiatives provide additionality to enhance provision and provide innovation and creative solutions to deep rooted issues.

- 6.15 Aberdeen City Council at the Policy and Performance Committee on the 10th September, in response to the economic downturn, agreed – its draft Anti-Poverty Strategy which is being completed in detail through service committees. The dedicated and focused resources currently being applied by the Fairer Scotland Fund Board have a key role to play towards addressing the causes of poverty and providing localised services supporting communities and individuals in most need.
- 6.16 The funding provided through Fairer Scotland Fund provides a locus for joint working with our Community Planning Partners. The Fairer Scotland Fund Board has a clear role to oversee the use of the Fund, ensuring that it is being applied to good effect and providing added value to the mainstream services of the public, community and voluntary sectors, and contributing to the Single Outcome Agreement.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

Refer to any sources used in the writing of your report. Please note that it is a statutory requirement that any papers that are listed must be made available to the public on request.

Scottish Government and COSLA; “Equal Communities in a Fairer Scotland: Joint Statement.” Published 29th October 2009