

Agenda Item	7.
Report No	CS/38/13

DEPRIVED AREA FUND 2014-17

Report by Director of Planning & Development

SUMMARY:

This Report describes the revised Deprived Area Fund criteria and discusses the implications for the Area. Members are invited to agree the process for reviewing current activity and preparing a further Report on the use of the Fund in 2014-15.

The work of the Employability team within the Planning and Development Service directly supports the Council's Programme of support for the Highland economy and specifically helps with the creation of jobs and efforts to assist people to access training, education and work.

1. Background

1.1 The existing Deprived Area Fund (DAF) was instituted by the Council in the 2011/12 financial year. The operation of the Fund was reviewed by Planning, Environment and Development Committee (PED) at its meeting in August 2013 and a revised approach was approved. The revised scheme is attached as Appendix 1 to this Report setting out the strategic purpose and criteria for the funding to achieve –

- Better alignment to the **Working Together for the Highlands** Programme, the Single Outcome Agreement and other anti-poverty measures;
- a revised distribution mechanism using the Scottish Index of Multiple Deprivation 2012¹ to identify a larger number of areas of disadvantage within Highland;
- provision of funds for and devolved decision-making to all Highland Council Area Committees;
- a three year funding commitment to encourage development of strategic and pro-active approaches by Area Committees to tackling poverty and disadvantage along with other service provision.

2. Application in Caithness and Sutherland

2.1 The revised approach approved by the PED Committee identifies 44 data zones that are the 15% most deprived data zones in Highland, with 10 of these in the Caithness and Sutherland Area. Previously the Council used the 17 in Highland within the 15% most deprived in Scotland, of which 4 were within Caithness and Sutherland. This gives an allocation of £100,000 for the Area in 2014-15 – slightly less than is available in 2013-14 but with less constrained targeting and revised criteria.

¹ The Scottish Index of Multiple Deprivation identifies small area concentrations of multiple deprivation across all of Scotland in a consistent way.

- 2.2 As Appendix 2 illustrates, these datazones comprise around 17% of the Total and the Working Age Populations, but have around 30% of the Income and the Employment Deprived Populations. The datazones shown in Appendix 1 have been grouped into “locality” areas; however, Members will note that there are other datazones that do not fit within the 15% criteria but have very similar characteristics, particularly numbers of income and employment deprived that are not far short of those identified by this method. This reinforces the approach of not being over prescriptive about tight geographic targeting and using an approach that prioritises these areas but is not exclusive to them.
- 2.3 The PED Committee have made a three year commitment to sustain the funding to enable a more strategic approach to the use of the funds and to the management of change. The eligible activity and criteria have been amended as shown in Appendix 1 with clearer “output” measures defined. However, the criteria of empowerment through community engagement and adding value to existing provision or attracting external funding remain important aspects of the funding. The need to complement other activity tackling poverty and disadvantage is also a key factor in shaping how the funds are used.
- 2.4 The existing use of DAF in the area has mainly focused on supporting the Pulteneytown People’s Project. Over a period of years this has provided an important part of the “core” funding that has helped enable the organisation to grow and develop. Current activity funded by DAF includes activities for people who are unemployed, including job search and learning programmes. (Approved for 2013-14 at Caithness & Sutherland Area Committee – 18 February 2013)
- 2.5 Members will note that an Application from Ormlie Community Association to help run a Young Mothers Group in Wick was declined at the February 2013 meeting. That application has since been reviewed since an alternative funding source was not available and approval has now been given to it, using the delegated powers given at the February meeting (£13,500 for 2013-14).
- 2.6 Members will also note that the Employability Service supports other activity in the area and the new Deprived Area map usefully aids the targeting of adviser and other funded activity, including Work Clubs and pre-employment courses. In particular there has been increased activity in East Sutherland and Central Sutherland recently following the closure of businesses in these areas. There has also been an increase in contracted service provision in Thurso and other parts of Caithness this year.
- 2.7 The three year timeline allows for a planned approach to the use of the Fund and to managing change. Nevertheless, there is a need to promote the Fund with the relevant communities and to enter a dialogue with them about this and other community development initiatives for 2014-15. Similarly, there is a need to engage with partners and undertake a mapping of existing and proposed community initiatives, particularly initiatives being developed by NHS Health and Social Care using the Council’s Preventative Spend funding.
- 2.8 There will be constraints on the extent to which changes can be made to the use of the funds in 2014-15. However, in order that the interest in community

initiatives can be assessed, it is proposed that initial applications / expressions of interest be invited for the Fund using the Council's Single Grant process. A public notice will be placed with a closing date of 6th January 2014 for submissions to be received. It is then proposed that the mapping of other initiatives, the appraisal of existing community activity and the applications be considered by Council Officers and Partner organisations to formulate a strategic approach to the use of the Fund and prepare recommendations for a Report back to the Area Committee for its February 2014 meeting.

3. Implications

- 3.1 Resource: The PED Committee has given a three year commitment to the Deprived Area Fund. The Funds have often been able to “lever” funds from other sources – providing added value to community activity.
- 3.2 Risk: Some of the community based activity carries risk in terms of the capacity of community organisations to manage staff and resources. The Fund is managed through the Council's Single Grants Programme Terms and Conditions. Advice and assistance is also given to community organisations receiving funds to manage these risks.
- 3.3 Equalities: The Deprived Area Fund seeks to assist community capacity building and remove the barriers that stop individuals from preparing for and entering the world of sustained employment.
- 3.4 Climate Change: There are no significant Climate Change implications arising from the Report.
- 3.5 Legal: There are no Legal implications arising from the Report.

4. Recommendations

- 4.1 The Committee is invited to:
- (i) note the provision of £13,500 under delegated powers to Ormlie Community Association to help run a Young Mothers Group in Wick;
 - (ii) note the information on employment, unemployment and service provision in the area; and
 - (iii) agree that applications to the Fund be invited by 6th January 2014 and that these are considered by Council Officers and Partners to draw up an Area based strategy for the use of the Funds to be brought to the Area Committee at its February 2014 meeting.

Designation: Director of Planning and Development

Date: 24th October 2013

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APPENDIX 1

HIGHLAND COUNCIL DEPRIVED AREA FUND 2014 –STRATEGIC FRAMEWORK

Purpose

The primary purpose of this Fund and the key outcome sought is to widen participation in the labour market in targeted Highland communities. Allied to this and a secondary outcome sought, is to increase the skills and confidence of these targeted communities to take action themselves to widen participation in the labour market.

The Deprived Area Fund will therefore directly support the Council's Working Together for the Highlands Programme and associated Single Outcome Agreement.

Distribution of Funds:

The distribution of the Deprived Area Fund is based on the 15% of the most deprived datazones in Highland in the SIMD (2012). These are shown in Table One grouped together in Council Ward and Area Committee clusters. On this basis the proposed distribution of £440,000 for 2014-15 is show below by Area Committee groups.

Area Committee	No. of Datazones	£
City of Inverness Area	16	£160,000
Caithness & Sutherland Area	10	£100,000
Skye, Ross & Cromarty Area	13	£130,000
Lochaber Area	3	£ 30,000
Nairn, Badenoch & Strathspey Area	2	£ 20,000
Total	44	£440,000

Targeting:

The Priority Areas Fund is relatively small compared with the level of overall need and therefore judgement will be required on how best to direct the funds to ensure impact recognising that there will be other competing and equally compelling needs. The Area Committees will have devolved power to determine the best use of the funds within the Strategic Purpose and Criteria set out by Planning, Environment and Development Committee. While the funds are allocated on the basis of SIMD datazones, spend need not be restricted to these areas. However, as the funds are allocated on the basis of SIMD datazones, spend should be focused on those datazones and proposals must demonstrate clear fit with the criteria, outputs and outcomes for these areas.

Specific Criteria:

In order that the Deprived Area Fund delivers on its twin outcomes of labour market participation and increased community skills and confidence, it is recognised that, as a minimum, specific criteria must be met:

- Criterion 1:
Effective targeting - proposals must respond to identified community needs (primarily within the identified datazones) including published statistics and evidenced community and client group engagement and consultation.

- Criterion 2:
Identified employability aims – proposals must have identified and evidenced employability outputs and outcomes.
- Criterion 3:
Proposals must complement and add value to other related services and programmes tackling poverty and inequality.
- Criterion 4:
Proposals must engage with local communities and build community capacity and leadership.

These criteria, together with further explanation and a technical assessment, will be used to evaluate any proposals.

Sustainability:

The Council recognises that tackling poverty and disadvantage requires sustained effort over time. The commitment of the funds will be initially for three financial years (2014/15, 2015/16, 2016/17) to allow Areas and projects to take a strategic approach to develop new or change existing usage. This period aligns with the Council's Preventative Initiative and ensuring alignment with this and other initiatives tackling poverty and disadvantage will be crucial to the impact of the Funds.

Eligible Activity:

Area Committees will be able to use the funds in one of or a combination of ways:

- Recurring funding to community organisations that meet the purpose and criteria requirements – to be governed by a service level outcome/agreement;
- Operation of a discretionary grant scheme for activities that meet the purpose and criteria but do not require recurring funding.
- Provision of additional levels of mainstream or contracted services for targeted groups or communities.

Outputs

Proposals will be required to demonstrate measurable outputs leading towards the outcome objectives of the Funds. These might include people –

- Engaging in job-seeking activity (specific to project – e.g. work clubs; job search; work preparation);
- Sustaining voluntary activity and work experience placements;
- Engaging in informal community learning / health management activity as a first step to employment
- Participation in accredited further education or training
- Obtaining employment

Process and Assessment:

To prepare for the inception of the new Deprived Area Fund from April 2014, each Area Committee will receive a Report before the end of 2013 outlining the terms of the funds and the existing position in their Area. This will enable them to determine how they want to deliver the funds in the longer term within the Strategic Purpose and Criteria agreed and address any transitional measures that are needed to affect changes. Where there is no current recurring expenditure Areas will be able to invite proposals or expressions of interest for 2014-15.

Reference:

<http://www.highland.gov.uk/NR/rdonlyres/45051D6F-25E8-4E4D-A185-18C9CA0CAEDC/0/SIMD1215mostdeprivedinHighlandmap.pdf>

APPENDIX 2

CAITHNESS AND SUTHERLAND DATA ZONES IN THE 15% MOST DEPRIVED IN HIGHLAND –

Data Zone	Rank in Highland	Data Zone Name	Ward	Total Population (SAPE 2010)	Best-fit Working Age Population** (men 16-64, women 16-60 SAPE 2010)	Number of Income Deprived People 2012	Employment domain 2012 rate (%)	Number of Employment Deprived People 2012
S01003977	3	Wick Pulteneytown South	Wick	481	308	150	30	90
S01003976	9	Wick South	Wick	725	437	210	24	100
S01003978	15	Wick South Head	Wick	507	312	105	22	70
S01003984	23	Wick Central North	Wick	557	277	115	24	65
S01003986	36	Wick North Primary School	Wick	528	336	100	16	55
S01003985	6	Wick Hillhead North	Wick	661	393	220	24	90
S01003971	25	Lybster	Landward Caithness	665	383	130	17	65
S01003969	39	Dunbeath	Landward Caithness	758	460	110	16	75
S01003997	26	Thurso High and Low Ormlie	Thurso	843	536	180	21	115
S01004007	33	Thurso North West	Thurso	570	332	120	17	60
		Data Zone Totals		6,295	3,774	1,440		785
		Area Ward Totals		38,691	22,689	4,670		2,665
		Data zones as % of Area		16	17	31		29