

THE HIGHLAND COUNCIL

PLANNING, ENVIRONMENT AND DEVELOPMENT COMMITTEE

14th August 2013

Agenda Item	10
Report No	PED 49/13

EMPLOYABILITY SERVICES: DEPRIVED AREA FUND REVIEW

Report by Director of Planning & Development

SUMMARY:

The Report contains a review of the operation of the Deprived Area Fund and identifies success as well as issues that need to be addressed. It proposes the implementation of new Priority Area Fund as a successor programme with refreshed purpose and criteria as well as wider geographic benefit. Operating within the strategic direction set, local delivery of the Priority Area Fund will be delegated to the Area Committees.

The proposals support the Council's Working Together for the Highland's Programme, the Single Outcome Agreement and complement the Preventative Spend measures by assisting people to obtain employment and improve individual and community wellbeing.

1. Background

- 1.1 The existing Deprived Area Fund (DAF) was instituted by the Council in the 2011/12 financial year. It continued the area based approach of the predecessor Community Regeneration and Fairer Scotland Funds which promoted area based community regeneration activity through Scottish Government ring-fenced funding. With the removal of this ring-fenced funding, the criteria and area targeting were established by PED Committee, based on the 2009 Scottish Index of Multiple Deprivation (SIMD), see Appendix 1.
- 1.2 Over the three financial years of operation (including the current 2013/14) the DAF will disburse a total of £1.248m to these areas and to date has assisted 38 community led projects with grant assistance. The application process uses the Council's Single Grant Application process with applicants invited through public advert and the Council's website. Applications are assessed by Council Officers, in consultation with partner organisations and local Ward Members. In 2012/13 recommendations on grant were made to the City of Inverness Area and the Caithness and Sutherland Area Committees for approval. Decisions for the other areas have been delegated to the Chair of PED and Director of Planning and Development, following consultation with relevant Ward Members.
- 1.3 Along with this new application process a quarterly monitoring and reporting system was introduced with projects. Grant recipients are required to report on progress against the output and outcome targets included in their applications and funds are released quarterly based on receipt of these reports. In addition, organisations are required to submit Annual Accounts and Reports and are in regular contact with Employability Service staff who are available for advice and assistance.

1.4 While the DAF approach has been successful in maintaining and developing community activity in the identified communities, there are a number of issues about the purpose and administration of the funding that need to be addressed.

1. **Area targeting:** This is based on the 2009 SIMD and the 2012 Index is now available which shows some differences in Highland. It identifies relatively small areas in some cases that are only part of a wider recognised community. While datazones are useful in deciding how the funds are distributed they are not always particularly useful for designing or delivering services in small communities and can lead to confusion and division.
2. **Alignment:** While every effort is made to ensure that the activity supported complements and adds value to provision in the areas served, the introduction of the Preventative Spend approach by the Council now allows for a far greater and more comprehensive approach to tackling both family and area based disadvantage.
3. **Activity:** The activities supported through the Fund have been varied. In some areas the bulk of the funding has been used to support ongoing service provision of certain community based organisations. This has meant that in practice, while an open application process was used, the majority of the funds were required for recurring activity. In other areas funding has been used for short term or “one-off” activity. In some cases there have been very few or no applications for funds and specific efforts have had to be made to attract applications or to use the funds to purchase employability services that are now part of the Council’s contracted services.
4. **Administration:** The funding has been administered on an annual basis with applications being invited with a closing date in January with the intention of having full year decisions made by the beginning of the new Financial Year in April. While this has been achieved this does not usually expend all the funds. The assessment process is comprehensive but time consuming and difficult to achieve across all areas within the desired timescales.

The introduction of the Area Committee structures and the Council Preventative Spend approach provides the opportunity to review the strategic and operational aspects of the fund to devolve and localise such community development activity.

2. Evaluating Impact

2.1 Objective measurements of the impact of the DAF programme on its own and separate from other interventions is not possible, no matter how desirable. Targeted interventions like the DAF provide some additionality but are intended to act as a catalyst to other funding and to community engagement activity. They are just a part of the range of services and external factors that affect communities. For example, an improvement in statistical data over time in a given area would be celebrated but could not be solely attributed to intervention from a single programme. Likewise, apparently deteriorating statistical data does not indicate failure as the interventions may in fact have helped mitigate a worsening position in the local economy.

2.2 Nevertheless, it is important that targeted interventions remain focused and are continually reviewed to ensure they are doing the right things to maximise impact

with other service provision. The projects supported through DAF, while each distinctive to the local area, have themes and outputs in common. The principal activities and outputs are shown below:

- People Job Seeking (Work Clubs)
- People moving into employment
- People undertaking learning activity
- People undertaking regular voluntary activity
- People participating in learning and training
- People achieving accredited qualifications
- People taking part in regular, structured sports activities
- People participating in regular culture / arts activities
- People participating in LifeSkills courses
- People engaged in developing and managing activities
- Number of projects assisted by the programme
- Additionality - partner funds directly linked to programme activities
- Number of jobs supported by the programme

2.3 These activities in turn contribute to community outcomes consistent with the Council's Programme for Highland and Single Outcome Agreement including:

- Improved participation in economic activity
- Improved levels of skills and qualifications
- Improved personal confidence and wellbeing
- Improved family confidence and wellbeing
- Improved community participation and coherence

2.4 The Council has put considerable financial resources and administrative effort into the Programme over the three years of operation and it is proposed that the approach be continued and indeed extended in future years. However, it has to be recognised and acknowledged that the various successes of the DAF are down to huge engagement and voluntary effort of literally hundreds of people and agencies in working together for better communities. The Council has provided the means - individuals and communities have provided the energy and commitment.

3. Priority Area Fund

3.1 While the Deprived Area Fund has added value and focus to building community capacity and tackling poverty, it is proposed that the approach needs to be renewed and revitalised to align with the Council's Programme, decentralising policies and other programmes tackling poverty and disadvantage. While action by the Employability team and partners seeks to create more and better employment opportunities for all, there is a need to see this achieved in an equitable manner across all parts of Highland.

3.2 The proposed approach is outlined in Appendix 2 including proposals for:

- the strategic purpose and criteria for the funding;
- alignment to the **Working Together for Highland** Programme, the Single Outcome Agreement and other anti-poverty measures;
- a revised distribution mechanism using the SIMD but in a different way that recognises relative disadvantage within Highland;
- provides funds for each Area Committee area;
- devolves decision-making to Area Committees;
- a three year funding commitment to encourage development of strategic and pro-active approaches by Area Committees.

3.3 If Committee approve this approach then Reports will be taken to the next round of Area Committees along with a position statement covering use of any existing funds and local issues. This will enable Area Committees to determine how best to prepare for and deliver the new Priority Area Fund locally. While it is anticipated that progress reports on delivery will be presented to the Area Committees, an annual report on activity will be prepared and presented to the PED Committee.

4. Implications

4.1 Resources: The Priority Area Fund is contained within the proposed Employability Budget for 2014/15, 2015/16 and 2016/17. To encourage and support complementary and programmed activity, it is anticipated that multi annual funding commitments may be required. If this is the case any funding agreements entered into will be subject to annual review with opportunity to terminate if delivery is unsatisfactory. Given the wider area allocation involved it is proposed to increase the funds involved based on £10,000 per datazone, thereby increasing the total budget available to £440k (up from £416k).

4.2 Risks: The Council has developed routines and processes for managing the risks inherent in Grant aided funding – these will ensure that organisations in receipt of funding are able to manage the activity and financial risks of the Programme. Local Area Committee accountability will ensure effective targeting and alignment with related anti-poverty work.

4.3 Equalities: The Employability Service aims to tackle identified socio-economic inequalities. In particular the Priority Area Fund seeks to address local issues that target young people, women and people with long term conditions.

4.4 Climate Change: There are no significant Climate Change implications arising from the Report.

4.5 Legal: The Priority Area Fund will operate within the Council's Financial Regulations, Procurement Policies and EU compliance requirements.

5. Recommendations

- 5.1 It is recommended that Committee:
- a) Comment on the operation and assessment of the current Deprived Area Fund
 - b) Approve proposals for a revised Priority Area Fund with the purpose, criteria and targeting contained in Appendix 2
 - c) Approve the delegation of the delivery of the Priority Area Fund to Area Committees also as set out in Appendix 2.

Designation: Director of Planning and Development

Date: 29 July 2013

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References:

Deprivation and Fragility in Highland

<http://www.highland.gov.uk/yourcouncil/highlandfactsandfigures/deprivationandfragility/>

SIMD 12 – 15% Most Deprived in Highland Map

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

APPENDIX 1

EXISTING DEPRIVED AREA FUND: 2011 - 2014

Purpose:

Applications are invited from community and third sector organisations to assist defined disadvantaged communities to develop and implement activities that improve the quality of life and regenerate their communities. Priority will be given to projects that directly deliver employability outcomes for individuals who live within the targeted area and who are furthest removed from the labour market.

The funding is available until March 2014 and therefore only projects that can complete or are substantially committed before the end of March 2014 will be considered.

Key Criteria for Applications to the Deprived Area Fund:

Criteria 1 (High Weighting): Activities should target areas in the Council's priority areas for Deprived Area Funds. A practical approach should however be taken to ensure project proposals do not create artificial boundaries and that neighbouring datazones, as appropriate, are included.

Criteria 2 (High Weighting): Priority should be given to the client groups:

- Young people aged 16 – 24 who are in need of continuing and additional support and are on, or eligible for, Job Seekers Allowance (JSA), i.e. work capable. Priority will be directed to young people in transition from Activity Agreements and to young people for whom the Council has a responsibility, for example, Looked After, Young Offenders, Homeless.
- Support will also be provided to parents and carers who, due to new benefit rules, will transfer from Income Support to JSA and be expected to search for work, but who need specific pre-employability support before/during their transfer and their pre Work Programme period.
- Clients with mental health problems or disabilities.

Criteria 3: (High Weighting): Respond to Identified Community Needs ie is able to provide evidence and justification that project is required. Have clearly identified employability aims and impact.

Criteria 4 (Medium Weighting): Involve community organisations in delivery and accountability

Criteria 5 (Medium Weighting): Build Community Capacity and Leadership

Criteria 6 (Medium Weighting): Improve community / public agency partnership

Application and Assessment Process:

Deprived Area funding applications must be received by the closing date of Monday 7 January 2013. Appraisal of the proposals will be undertaken by officers of the Council in liaison with partner organisations and appropriate Ward Managers, with recommendations with funding decisions being made in March 2013.

Work Programme

Applicants should ensure they are not using Deprived Area Funds to duplicate local Work Programme activity or to significantly benefit Work Programme Contractors.

Deprived Area Fund Target Areas (SIMD 2009)

Alness - Annual Allocation £78,000

3 Datazones:

Alness Teaninich, Alness Kirkside, Alness Firhill

Seaboard - Annual Allocation £26,000

1 Datazone:

Seaboard

Invergordon - Annual Allocation £26,000

1 Datazone:

Invergordon (part Strath Avenue)

Fort William - Annual Allocation £26,000

1 Datazone:

Fort William (Plantation)

Inverness - Annual Allocation £156,000

6 Datazones:

Inverness Merkinch North; Inverness South Kessock; Inverness Merkinch East;
Inverness Merkinch South; Inverness Central and Longman; Inverness Hilton West

Wick - Annual Allocation £104,000

4 Datazones:

Wick South; Wick South Head; Wick Pulteneytown South; Wick Hillhead North

APPENDIX 2 PROPOSED PRIORITY AREA FUND – 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 Priority 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 Priority 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 and Development Committee. While the funds are allocated on the basis of SIMD datazones, spend need not be restricted to these areas though proposals must demonstrate clear fit with the criteria, outputs and outcomes.

Specific Criteria:

In order that the Priority 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:

- Criteria 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.
- Criteria 2:
Identified employability aims – proposals must have identified and evidenced employability outputs and outcomes.

- Criteria 3:
Proposals must complement and add value to other related services and programmes tackling poverty and inequality.
- Criteria 4:
Proposals must engage with local communities and build community capacity and leadership.

This 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 Priority 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>

TABLE 1	Ward	Total Population (SAPE 2010)	Best-fit Working Age Population** (men 16-64, women 16-60 SAPE 2010)	Overall SIMD 2012 Rank
Data Zone Name				
Inverness Merkinch North	Inverness Central	709	425	32
Inverness South Kessock	Inverness Central	694	404	106
Inverness Merkinch East	Inverness Central	920	596	298
Inverness Central & Longman	Inverness Central	1,052	837	479
Inverness Merkinch South	Inverness Central	855	518	519
Inverness Merkinch Telford	Inverness Central	1,000	686	821
Inverness Dalneigh South West	Inverness Central	966	559	1,110
Inverness Central North West	Inverness Central	535	371	1,280
Inverness Dalneigh North	Inverness Central	709	403	1,581
Inverness Dalneigh Central	Inverness Central	838	484	1,833
Inverness Dalneigh West	Inverness Central	641	401	1,910
Inverness Raigmore North	Inverness Millburn	631	404	949
Inverness Hilton West	Inverness Ness-Side	638	390	796
Inverness Hilton South	Inverness Ness-Side	495	298	1,127
Inverness Dalneigh South	Inverness West	825	445	1,534
Ardersier	Culloden and Ardersier	933	539	1,726
Wick Pultneytown South	Wick	481	308	288
Wick Hillhead North	Wick	661	393	404
Wick South	Wick	725	437	578
Wick South Head	Wick	507	312	918
Wick Central North	Wick	557	277	1,231
Wick North Primary School	Wick	528	336	1,668
Thurso High and Low Ormlie	Thurso	843	536	1,339
Thurso North West	Thurso	570	332	1,564
Lybster	Landward Caithness	665	383	1,301
Dunbeath	Landward Caithness	758	460	1,799
Invergordon Strath Avenue	Cromarty Firth	496	288	375
Alness Kirkside	Cromarty Firth	639	390	688
Alness Teaninich	Cromarty Firth	906	531	970
Alness Firhill	Cromarty Firth	783	475	1,133
Invergordon Castle Avenue	Cromarty Firth	739	406	1,486
Alness Obsdale	Cromarty Firth	923	564	1,517
Invergordon Central	Cromarty Firth	632	386	1,831
Dingwall Central	Dingwall and Seaforth	752	446	867
Conon North	Dingwall and Seaforth	718	432	1,478
Seaboard South	Tain and Easter Ross	754	454	797
Milton & Kildary	Tain and Easter Ross	792	480	1,219
Tain South Rural	Tain and Easter Ross	899	537	1,854
Skye North East	Eilean a Cheo	584	356	1,991
Fort William Plantation	Ft William and Ardnamurchan	623	351	994
Fort William Central	Ft William and Ardnamurchan	630	416	1,623
Caol South East	Caol and Mallaig	818	485	1,735
Nairn South	Nairn	950	544	1,463
Nairn Moss-side	Nairn	541	357	1,481
		31,915	19,432	