

The Highland Council

13-3-14

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| Agenda Item | 17 |
| Report No | HC/68/13 |

Community Challenge Fund

Report by Depute Chief Executive

Summary

The Community Challenge Fund was launched in January 2013. This report summarises progress to date, outlines findings from a review of the fund over the course of the first year and proposes several ways to take the fund forward.

1. Background

- 1.1 The Community Challenge Fund was launched in January 2013. Supported by £1m of expenditure replenished by the savings generated, its purpose was to empower communities to deliver services at a local level better and fit with the Council's budget strategy. It is a commitment in the Council's Programme.
- 1.2 There are three main types of project which are eligible for funding from the Community Challenge fund:
- Projects which deliver a service at a lower cost than currently provided;
 - Projects which provide a higher level of service for the same cost; and
 - Projects which help to reduce the Council's costs for maintaining premises.
- In addition the projects are required to demonstrate that there will be a worthwhile community benefit achieved as a result of the one-off funding.
- 1.3 Four rounds of ideas and applications were sought in the first year with initial expressions of interest invited. Any expressions of interest received are considered by an officer group which provides recommendations to a Member Applications Panel. If successful, the group is then asked to make an application for grant funding or submit a business plan. These are also considered by the Member Panel which then recommends to Committee whether they should proceed with access to the fund.
- 1.4 It was agreed to review the fund after one year to explore lessons learnt and how best to take the fund forward. This report summarises progress to date, outlines findings from a review of the fund over the course of the first year and proposes several ways to take the fund forward.

2. Summary of the fund to date

- 2.1 Over the course of the first year of the Community Challenge Fund 47

expressions of interest have been received (35 during the first round). 7 of these have met the criteria of the fund and been asked to progress to the second stage and 3 are on hold pending further discussions. To date 2 of the 7 projects have been successful, 4 are still working on the business case stage and 1 has been withdrawn. The two successful applications have been:

- Kyle and Lochalsh Community Trust, who are in the final stages of taking over the running of the pontoons and public toilets in Kyle of Lochalsh.
- Fort Augustus and Glenmoriston Community Company who have taken over the village officer role of street cleansing, winter gritting of footpaths and some grounds maintenance.

2.2 Of the projects which have been unsuccessful at stage 1, in the main this has been because they have not met the fund's criteria. Most have been able to be re-directed to alternative sources of funding or to the Third Sector Interface for support with developing their idea. A consideration for Members, discussed below at 4.4, is whether the fund's criteria should be revised to enable a wider range of projects to be taken forward.

3. CCF Year 1 Review

3.1 A review of the Community Challenge Fund involving officers and external partners, along with the applications received and supporting processes have identified the following challenges:

3.2 Awareness of the Fund

There is a need for further promotion of the Fund and its aims. This needs to be amongst Members, staff and the public. Dissemination has not been as successful as intended which is reflected in the number of applications received. Review of applications and the number which failed to progress past the expression of interest stage highlights the lack of awareness regarding the criteria and purpose of the fund. Work is needed to further promote and raise awareness of the fund in the coming months.

3.3 Detail of Applications

Analysis of the applications received to date highlight there is a need to consider potential areas of service delivery which could be of interest to communities and promote these more widely. There is also a need to consider what support could be provided to applicants in order to better develop their ideas at the expression of interest stage and beyond. Going forward it will be important to get feedback from existing applicants to better understand what has supported but also hindered their participation in the process.

3.4 Internal Support for Officers

The first year of the Challenge Fund has highlighted the need to develop guidance for officers dealing with applications and why the Council seeks to promote the fund. It is important that officers are advised on how to deal with various stages of the process e.g. HR, financial and procurement issues and where to seek support on these specific areas.

4. Next Steps

4.1 *Promotion*

Work has already begun to raise the profile of the fund. Work has been undertaken to improve the information provided on the Council's website and clarify the various service areas which communities could focus on in terms of taking over service delivery. It is proposed that a series of reports on the Challenge Fund are taken to the next round of Area Committees from April onwards. This will enable local discussion and raise awareness of the fund at a local level. A further proposal is that a number of ward forums are held on the Challenge Fund. With participation in each forum from the Third Sector Interface and HISEZ, this would enable engagement with communities on the fund, describe the support available to them and allow opportunities to explore ideas and potential projects. Going forward it will be important to work with colleagues in these key organisations and with Council staff to promote the fund more widely. Ward managers and Members will have an important role in this at a local level.

4.2 *Proactive Promotion*

The review has also highlighted that it would be more helpful to communities for the Council to identify opportunities for service delivery and then promote these at a local level. Work will take place with staff to explore potential areas for community service delivery and consider how best these could be promoted to communities across Highland.

4.3 *Capacity Building*

One of the key findings of the review was the need to ensure groups are supported effectively to enable them to participate in the fund. In addition to support from services, the Third Sector Interface is critical in terms of support for new organisations. This could be support with developing constitutions and governance structures. The second strand is the support that HISEZ can provide to groups at the second stage; working with groups to develop their expressions of interest into sustainable business plans. HISEZ have particular expertise in this area considering what the group needs to focus on to ensure that they are fully equipped and supported to take forward their project idea. Agreement has been reached with HISEZ to support a number of organisations at the business plan stage. This will be agreed on a case by case basis and include access to other support organisations if required.

4.4 *Staff Support*

The review identified that staff require internal support and guidance in order to effectively assess applications. It is proposed to develop a toolkit for staff focusing upon key areas to consider when assessing applications and potential internal sources of support.

4.5 *Fund Criteria*

One strand of the review raised the question whether the criteria of the fund should be broadened. A number of the initial expressions of interest needed to be refused as they did not meet the current criteria as they did not relate to services currently provided by the Council. Nevertheless some were good and

innovative projects that could perhaps prevent the need for council services to be provided or expanded in the future. Members are therefore asked to consider whether the criteria of the fund should be extended to include services that would be preventative in nature. Given the Council's support for preventative services across early years, older people and those experiencing deprivation, it may be helpful at least initially to complement one of these target groups. Given the scale and range of funding for early years and older people and the need to avoid duplicating funding streams, it may be more effective to focus initially on Challenge Funding to prevent new demands for services arising from deprivation. This would include rural deprivation and access to services in rural areas, reducing and preventing fuel poverty and supporting employability, including through voluntary activity. In this way the Fund could retain its original purpose and help meet other Programme Commitments around sustainable rural services and reducing fuel poverty.

4.6 *Asset Transfer*

One criterion for eligibility for the fund relates to reducing the Council's costs for maintaining premises. This could involve transferring assets from the Council to community groups. It would be helpful to have an improved corporate approach to supporting asset transfers which takes into account the types of support community groups may need to acquire and run an asset in a sustainable way. This is being developed through a cross service officer group and will involve engagement with community planning partners. Proposals for taking this forward will be reported to members for their consideration.

5. Implications

- 5.1 Resource – A graduate intern will be assisting with implementing the proposals outlined in section 4, particularly in relation to promotion and awareness raising. Funding from within existing resources has been identified for HISEZ to support applicants on developing their business plan. This will be agreed on an application by application basis
- 5.2 Legal – The Scottish Government's Community Empowerment Bill will place formal duties on public sector bodies in relation to asset transfer and it will be important to consider the Fund alongside these duties once the Bill is passed. The Council's Legal team provides support and guidance to officers when assessing applications.
- 5.3 Equalities – It will be important to ensure that all groups have access to the Fund and support for groups is therefore critical. Additional criterion on deprivation will provide a focus on low income groups and they tend to be more likely to have protected characteristics e.g. older people, people with disabilities, young unemployed people and single parents.
- 5.4 Climate Change/Carbon Clever - Additional criterion on preventing deprivation has potential consequences to address issues related to fuel poverty.
- 5.5 Risk - By acting on the review of the programme in its first year we would improve the take up of the fund and reduce the risk of it underachieving its

potential.

Recommendation

Members are asked to:

- Note the update on the Community Challenge Fund
- Note the findings from the review of the fund after year 1
- Agree the proposals outlined in section 4 for taking the fund forward - promoting the fund, building capacity among community groups to access the fund and supporting staff to help with its implementation
- Consider and agree to widening the criteria to include preventing new demands for services arising from deprivation as outlined at 4.5.

Designation: Depute Chief Executive

Date: 20-2-14

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