

The Highland Council

Caithness Committee
25th April 2016

Agenda Item	5.
Report No	CC/08/216

Deprived Area Funds 2016-17

Report by Director of Development and Infrastructure

Summary

The report sets out proposals for allocation of the Deprived Area Funds for 2016-17. It sets out the background to the Fund, together with a summary of proposals, the assessments and recommendations. A statement is also included summarising the outturn of the 2015-16 funding.

The Deprived Area Fund supports the Council's Highland First Programme, the Single Outcome Agreement and complements the Preventative Spend measures by assisting people to obtain employment and improve individual and community wellbeing.

1. Background

- 1.1 The Deprived Area Funding (DAF) and criteria were approved by Planning and Development Committee in August 2013 giving an allocation of £100,000 for the Area. Authority for approval was delegated to the Area Committee. The details of the Funds are available on the Council website. (See References below).
- 1.2 The Caithness and Sutherland Area Committee considered the applications received for 2015-16 at its meeting on 10 February 2015 and gave interim approvals for 3 months award to allow further information and reporting to be made available. Subsequently at the meeting on 26 May 2015 Members discussed a number of issues arising over the operation of DAF and agreed to:
 - delegate decisions over the allocation of the Deprived Area Fund 2015-2016 to the Director of Development and Infrastructure in consultation with the Chair of the Area Committee and the Member Working Group; and
 - establish a short life Member Working Group to consider the operation of DAF in the area and approaches for the future.
- 1.3 Following consultation with Members of the Working Group, the Director of Development and Infrastructure approved the 2015/16 allocations of funds to:
 - Pulteneytown People's Project - £87,000
 - Ormlie Community Association - £13,000

During 2015/16 the applicants submitted quarterly monitoring reports as well as receiving visits from Council Officers.

- 1.4 The Working Group met on two occasions and Minutes of these meetings were submitted to the Area Committee on 16th September 2015. As part of its review the Working Group met with the Chair and senior officers of Pulteneytown People Project (PPP) and agreed to:
- have a continuing dialogue between the Council Members and the PPP through regular meetings to discuss the PPP Business Plan and reporting to raise awareness of PPPs services and activities; and
 - make arrangements that enable PPP staff to access Council training and development opportunities.

It was also noted that there would be opportunities through the Caithness District Partnership for the Council and PPP to work together and with other agencies to address the root causes of deprivation and meet community needs in the Area by delivering the required outcomes and solutions.

- 1.5 The Working Group concluded that a Report on the options around future funding arrangements be deferred to allow further ongoing discussions with the PPP and submission of further information on the basis of which final recommendations would be made to Members. In practice, due to the budgetary delay with the approval of the 2016/17 budget, this did not happen at the January 2016 Caithness Committee.
- 1.6 Members will note that, in a parallel exercise the Council's Finance Service conducted a Review of PPP to ensure that the organisation had:
- effective governance arrangements in place;
 - appropriate personnel policies and procedures in place, all staff are aware of these and the need to comply with them;
 - appropriate and robust financial procedures for the ordering and payment of goods and services and payment of staff;
 - appropriate systems for the accurate and timely collection of all income due; and
 - robust and accurate financial management, monitoring and reporting arrangements in place.
- 1.7 The Review reported to the Council's Audit and Scrutiny Committee on 17 November 2015 and Substantial Assurance was given in that while there is a generally a sound system, there are areas of weakness which put some of the system objectives at risk, and/ or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk. An Action Plan has been agreed with the organisation to address these issues. A link to the Audit Report is attached below.

- 1.8 In addition to the review of PPP the Working Group identified a number of other issues about the operation of DAF in the Area to be addressed in relation to 2016 - 17. These included concerns about:
- imbalance of funding – concentrated on small number of areas of benefit;
 - funding being used to support core and ongoing activity – leaving little scope for new applications;
 - frustration experienced by inviting new applications with little prospect of success;
 - limited support and feedback to applicant organisations; and
 - limited feedback and reporting to local Members between annual approvals.

2. 2016 -17 Deprived Area Funding

- 2.1 At a meeting of the Highland Council on the 25th of February 2016, it was agreed that a Deprived Area Fund (DAF) allocation of £440k is available for 2016/17 (the same level as 2015/16). This means that Caithness will continue to receive a £100,000 allocation as agreed by the Planning and Development Committee in August 2013.
- 2.2 Over the course of 2015 officers had met with each of the applicants to review their activities; future plans and the need for sustaining activity for which there is an identified continuing need. This review has formed the basis of the 2016/17 recommendations.
- 2.3 Pulteneytown Peoples Project Ltd.
DAF funding has included an element of “start-up” activity associated with the new Pulteney Centre to encourage development of new commercial activity to enable the Centre to become more sustainable. In particular, the funding has assisted the organisation to develop accredited SQA training and education and obtain Skills Development Scotland contracted services. Growth in these activities is seen as an important part of the future business of the Centre. As these elements of activity have developed it is considered that the general support provided by DAF can and should now be reduced. As such it is proposed that a grant of £48,840 be offered to PPP for the DAF eligible activity identified in **Appendix 1**.
- 2.4 Ormlie Community Association
The DAF award to Ormlie Community Association (OCA) is to support work they are doing with parents with young children. However, the organisation is also involved in supporting Work Club activity and other employment related activity through a Digital Access project. Some of the other funding available to the organisation from other sources will finish in the course of 2016-17. It is therefore proposed that the commitment of £13,000 should continue. Discussions continue with OCA to determine their financial position next year. Should they require additional financial assistance then the opportunity exists to apply again for a further DAF grant as detailed in 2.6.

2.5 Summary

If Members accept these proposals the Organisations would continue to be funded subject to the Terms and Conditions of Grant and continued reporting and monitoring including:

- an examination of the Applicant's proposals by Council Officers to assess the need and appropriateness of the proposals; their "fit" with partner services to avoid duplication; and the capacity of the organisation to deliver;
- a separate technical assessment of the organisation is carried out including its governance, experience, and other activities undertaken, how business is managed, including an examination of its Annual Report and Accounts. This is undertaken by a Council Officer with assistance from other Council Services where appropriate; and
- quarterly reports of the organisation's performance in meeting the targets set for 2016-17.

2.6 In considering how best to progress matters in 2016-17 (the last year for confirmed DAF resources) it is proposed that applications be invited for the balance of funds available - £38,160. If approved by Members, local adverts will be placed inviting applications with a closing date at the end of May 2016. In order that a decision on funding can be made ahead of the next Caithness Committee (31st August 2016), it is proposed that delegated decision making powers be utilised enabling the Director of Development and Infrastructure, in consultation with the Chair of the Caithness Committee, to make decisions on the remaining DAF resources for 2016/17. Details of the Fund eligibility criteria are available on the Council website. (See References below).

3. **Implications**

3.1 **Resource:** The proposals will ensure full commitment of the funds available in 2016-17 and address the concerns raised by the Working Group.

3.2 **Equality:** The Deprived Area Fund supports the Council's Highland First Programme, the Single Outcome Agreement and complements the Preventative Spend measures by assisting people to obtain employment and improve individual and community wellbeing.

3.3 **Rural Impact** The revised geographic targeting of the Deprived Area Fund has identified a wider range of communities as eligible including rural areas.

3.4 **Risk:** The Fund uses the Council Single Grants Application processes to evaluate proposals and there are regular monitoring reports provided as well as advisory support provided to project sponsors to manage risk.

3.5 **Legal, Climate Change/Carbon Clever:** There are no direct legal, climate change/Carbon Clever Implications arising from this report.

Recommendation

The Committee is asked to:

- approve funding from DAF 2016-17 to:
 - Pulteneytown People's Project - £48,840
 - Ormlie Community Association - £13,000
- invite applications for the balance of the fund (£38,160) by 31st May 2016; and
- delegate authority to the Director of Development and Infrastructure, in consultation with the Chair of the Caithness Committee, to make decisions, if required, on the allocation of the remaining Deprived Area Fund 2016/17 ahead of the August 2016 Caithness Committee.

Designation: Director of Development and Infrastructure

Date: 15 April 2016

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References:

http://www.highland.gov.uk/directory_record/196471/deprived_area_fund/category/155/grants_for_community_groups

http://www.highland.gov.uk/download/meetings/id/69293/item_3_internal_audit_reviews_and_progress_report

APPENDIX 1

PPP Employability Funded activities 2016 -2017

Arts and Crafts Activities: 2 sessions each week (Tues & Fri) –	Approximately 18 people will attend each week creating project work and public displays	Funding covers staff costs, room rent and materials.	Cost £12,440
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Computer Class Groups: Rolling programme of block intake; groups of 6 – 8 students up to 6 to 8 weeks	Approximately 250 individuals per year will attend classes. Ability to use Internet for e.g. Job Search; CV's; personal and domestic purposes.	Funding covers staff costs, room hire and consumables	Cost £10,860
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Work Club: 9 am to 4.30pm 1 day per week (Fri). Assistance with CV, job searches, interview skills. Access to IT. 2 staff member: use of room and IT	25 people attend every week Assistance with CV, job searches, interview skills. Access to IT.	Funding covers staff costs, room hire and consumables	Cost £15,540
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Childcare – Flexible Child Care Services	SQA students and other service users (on benefits) access childcare	Funding covers staff costs and associated nursery costs	Cost £10,000
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Total Cost £48,840