Item 2

26th November 2024

Glasgow City Council

Glasgow Community Planning Partnership Strategic Partnership

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FUNDING FLEXIBILITY

Purpose of Report:

This report provides an overview of the work undertaken over the course of the last year to identify and progress opportunities in relation to funding flexibility.

This is one of the central workstreams of the Child Poverty Programme and is pivotal to securing the system change necessary to ensure sustainable and preventative services going forward.

The GCPP should note that the Children Services Executive Group (CSEG) continues to be the operational decision-making forum for those funds gathered through this work.

Recommendations:

The GCPP is asked to:

- Note the contents of the report and the progress made, including on the Performance Framework
- Agree to continue to align the Partnership's work in the city, and with Scottish Government to fulfil the aspirations of the Programme for Government
- Endorse and support the continued development of partnership governance to drive public service reform through this work.

***PLEASE NOTE THE FOLLOWING**:*

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1 Introduction

1.1 This report provides detail of activity currently underway to enhance the flexible use of funding within Glasgow. This is one of the central workstreams of the Child Poverty Programme and is pivotal to securing the system change necessary to ensure sustainable and preventative services going forward. The GCPP should note that the Children Services Executive Group (CSEG) continues to be the operational decision-making forum for funds gathered through this work.

2 Overview

2.1 The Child Poverty Programme, formalised following the intensive learning undertaken in its Pathfinder phase, outlines the need to re-imagine our current approach to tackling child poverty in the city. It sets out a number of enabling conditions that must be met in order to deliver on the necessary systemic change that include; policy alignment, funding flexibility and shared accountability. Work is progressing to ensure that each of these conditions are maximised and that they are co-ordinated.

2.2 The Glasgow Local Outcome Improvement Plan (LOIP) sets out the city's commitment to a single priority focused on 'Family Poverty – Reducing Poverty and Inequalities in Glasgow's Communities'. This brings city partners together to 'lean in' to a shared commitment, providing the ***policy alignment*** necessary to guide the city's systemic change. Using our data and insights, it has been possible to understand the breadth and depth of family poverty in the city and identify the most impactful focus of this work, where prevention and early intervention can make the most difference. In Glasgow this is for families with a child aged 0-5 years living in communities with the highest levels of child poverty. It also includes a commitment to a methodology that focuses on person centred and place based support.

2.3 Alongside this, the GCPP are re-shaping the approach used to demonstrate impact, ensuring ***accountability*** is measured appropriately for the shared vision through a new Performance Framework (see Annex A). This work is considering the key long term outcomes secured by our preventative agenda but also recognising the contributory factors that both influence, and are influenced by, poverty. This framework will measure the change secured as well as the impact for citizens and the endeavour necessary to deliver such shifts, the intensity of partnership working and the process of change itself. Partners are currently participating in an intensive co-design programme to develop the first version of the framework for Spring 2025.

2.4 Work has now intensified to understand how best to ensure our collective resources are oriented to meet our ambitions and secure the intended outcomes. The necessary ***funding flexibility***, applied across the entirety of our resources, will provide opportunities to utilise these in a more thoughtful and intentional way to deliver our shared agenda.

3 Background to Funding Flexibility

3.1 The Child Poverty Pathfinder identified early on that funding brings both opportunities and challenges. In particular, partners recognised that many of the current actions to mitigate poverty are dictated by policy or funding requirements. Whilst well intentioned, the opportunity to deliver substantial and sustainable change for families if afforded the flexibility to work and use the funding differently felt obvious. Delivering what is required in Glasgow, what works for, and matters most to our families will result in better outcomes but still make progress towards meeting the national child poverty targets and contribute to the National Performance Framework.

3.2 Initial conversations took place with Scottish Government colleagues embedded in the multi-agency team supporting the work of the Pathfinder in late 2023. This began to unpick the scope to secure flexibility of funding allocated to the local authority by national government. These discussions were boosted by the Verity House Agreement which, whilst not setting out the methodology, acknowledged the integral role of joint work across local and national partners to shape both the action and the measurement of progress towards our shared ambition.

3.3 Work was undertaken to test out the scope for flexibility across a number of relevant policy areas that receive funding to operate to their own specific vision and outcomes but with a locus within child poverty. The intention was to create an aligned funding pot that would underpin a shared ambition to tackle child poverty. Crucially, funding flexibility of the associated allocations would enable Glasgow to invest in the necessary change resource to optimise services and supports already in place in the city. It would also enable the delivery of new ways of working and disrupt the status quo, improve the use of resources and bring strategic alignment to a current fragmented landscape.

3.4 As the clarity of the asks in relation to flexibility emerged, discussions with Scottish Government colleagues continued in order to determine the feasibility of this new way of working. In particular, the asks have focused on support to ensure that Glasgow can use the resources available to us differently, informed by local insight and intelligence. This includes changes to;

1. Detailed conditions that determine the specific use of investment (often dictating the **how and what** we should do to deliver policy as well as for **whom**)

2. Time limited awards determining **when** we can undertake the work which often restrict activity to one financial year with no future guarantees. This stifles innovation and prevents investment in longer term complex change activity or preventative work. It further adds to costs as a result of short-term and uncertain funding that generates burdensome commissioning and allocation processes.

3.5 Productive conversations took place between GCC and SG representatives in December 2023, specifically in relation to opportunities to apply flexibility to the No One Left Behind allocation. Whilst a positive meeting and agreement on testing out some flexibility on **how and when** the funds could be used took place, as the year end approached, challenges emerged in relation to the continued requirement to report in line with pre-flexibility ('As Is') measures. This in turn impacted on the drawdown of funds yet to be spent. The practicalities of applying the agreed flexibility threatened to derail the progress made. Lessons were learned about the reality of this approach as a result of this experience.

3.6 Using this experience, in early 2024 the Child Poverty Pathfinder team identified a number of funding streams for which funding flexibility could be applied and shared this early thinking with Scottish Government colleagues for comment. This is complex work and involves many stakeholders both within the city and across national government. Whilst recognising the value and potential of securing funding flexibility, progress on delivering this has been complex.

3.7 Over the course of the first half of 2024, work continued to understand and break through the challenges of aligned funding – at both a national and local level. In Glasgow, we have already made progress in bringing together elements of funding in our recently aligned Whole Family Early Intervention Fund (WFEIF). This has created a fund totalling circa £26m (before commitments) over four years to be used for innovative work to tackle family poverty. The WFEIF, and the principles for its use were approved at City Administration Committee in June 2024. Also agreed were governance arrangements involving the GCPP, most notably that the Children's Services Executive Group (CSEG) is the operational decision-making forum for the WFEIF resource. Full details can be found here.

3.8 The WFEIF provided an opportunity to co-ordinate the use of resources available for whole family support towards transformational change, to maximise the collective impact and shift our focus towards prevention and early intervention. Whilst the principles of the Fund rightly recognise that it will be appropriate to invest in *some* existing activity, specifically where it provides the infrastructure to support change, the pull of the As Is system is significant. Protecting the integrity of the Fund has become increasingly challenging as the fiscal environment continually contracts.

3.9 Alongside creating the WFEIF, work is also being undertaken to bring together other funders investing in the city. This will increase awareness of the full breadth of resources and begin discussions on how these too can be aligned to a shared ambition. We have begun to articulate six separate 'pots' or sources of funding currently invested in the city:

- Pot 1 – Ringfenced funding from SG that is made available to the Council
- Pot 2 – Funding with pre-established conditions and commitments made available to the Council as part of annual grant settlement
- Pot 3 – Funding made available to the Council as part of annual grant settlement where the council have full permission and flexibility

- Pot 4 – SG funding which is made available to partners in the city
- Pot 5 – UK Government Funding made available to the Council
- Pot 6 – Non government funding which flows into the city from organisations such as National Lottery Fund, Robertson Trust, Inspiring Scotland etc.

4. Funding Flexibility - Current Position

4.1 As a key partner within the Child Poverty Programme, Scottish Government colleagues have shared their experience of the work of the Child Poverty Programme internally, creating readiness around the potential for this work. As a result, the identified conditions for systemic change were reflected within the 2024 Programme for Government. This highlighted the national intention to facilitate work to support our radical change programme;

> '…*we will work with partners to introduce additional local flexibility in how existing budgets and services can be reconfigured in the pursuit of a whole family approach…'*

This will specifically include;

- *Using evidence to assess what services the Scottish Government needs to invest in to improve outcomes for low-income households*
- *Working with local partners to pool budgets and streamline reporting requirements, where possible, with clear local plans in place for delivering shared outcomes*
- *Identifying where improvement in performance is needed, and open dialogue about barriers to change*
- *Ensuring a revised approach to service co-design – to design support services with communities, based on people's need, to make it easier for people to navigate and access the help on offer.*

4.2 Glasgow and Clackmannanshire have been identified as the local authorities most ready to test how to deliver on pooling budgets and streamlining reporting requirements. This recognises the extensive work already undertaken in Glasgow to secure policy alignment, prepare for funding flexibility and begin to reshape our accountability and performance framework.

4.3 The commitment set out by Scottish Government is very much welcomed by the city however specific asks have been made to our national colleagues in relation to the practicalities of shifting public statements into tangible action, timely decision-making and real progress. Subsequently, work has commenced to test out the commitment to action at both a local and national level with a view to identifying potential flexibilities. This is a real step change in approach by Scottish Government who have committed to co-designing this work with us.

4.4 In October 2024 a scoping paper was considered by our Corporate Management Team (CMT) outlining the opportunity to work with Scottish Government to develop a proposal that enhances flexibility of funding for the city. This paper initiated discussion on the implementation of policies and use

of funding in relation to whole family support as a first step. The CMT committed to undertaking further scoping to identify early opportunities that will consider:

- **What, how and who** – the removal or relaxation of conditions of funding that currently define a combination of what Glasgow must do, how they must do it and who is to be targeted by specific pots of funding, moving towards pooled funding with powers to flexibly commission and deliver whole family support
- **When** – the relaxation of conditions limiting the time in which Glasgow can use funds to allow longer term, more efficient or more effective use of funds over multiple years, including allowing time for meaningful exploration and co-design with families without jeopardising funding availability
- **Reporting** – the removal or relaxation of the requirements for detailed reporting on specific funding streams and moving towards reporting on progress toward agreed shared outcomes in relation to holistic family support.

Work on the latter will be co-ordinated with the emerging Performance Framework.

4.5 A taskforce of Council officers, in partnership with civil servant colleagues have begun the process to identify opportunities for this work across two phases; those where flexibilities should be applied for 2025/26 and secondly, longer term proposals that will require more detailed and intentional scoping and impact assessment prior to moving to implementation from 2026/27 onwards. This group will consider both areas for flexibility to deliver existing work but also opportunities to use that flexibility to bolster the existing £26m WFEIF (covering the period up to 2028/29) and create a larger transformational pot.

4.6 A series of workshops have taken place to understand;

- Which funding pots are 'in scope' for this work? Initially consideration will be made in relation to three specific types of funding – ringfenced awards from national to local government, funding from national to local government that is heavily influenced by policy commitments and local government budgets (Pots 1-3 as described at para 3.9).

- Where there are legal requirements aligned to these funding pots This includes those that are devolved and specific statutory duties that must be delivered using these funds.

- Where there are staffing, contracts or grants already in place or committed to in future years for which the cost of exiting would outweigh the benefits of greater flexibility.

4.7 As a first step, detail of the funding allocations made to GCC by the Scottish Government that relates to whole family support has been collated. This includes ringfenced awards as well as those that are now allocated within the base budget but with a requirement to deliver particular services. It also

included core GCC budgets that are entirely within the gift of the council to apply flexibility or re-orient. Using this information, the taskforce has considered the questions above alongside the perceived appetite to introduce change at either a local or national level. This process has required officers to reframe their thinking away from the necessity of delivering against the siloed aims and objectives of distinct funding allocations.

4.8 We have also initiated conversations with Council colleagues to identify where there are opportunities to better align our own resources in line with the 10 Booster Wards set out in the Child Poverty Programme. This will build on the approach taken by the Glasgow Holiday Programme. Colleagues at Scottish Government have welcomed the commitment to this.

4.9 The group highlighted that there are also areas that Glasgow considers important to protect and even bolster. This is most likely to be secured as a result of using the larger pot created by securing flexibility elsewhere.

5. Next Steps

5.1 The members of the taskforce are currently undertaking final checks with service Directors in relation to the timing and scope of potential flexibilities. Specifically , this includes consideration of whether flexibility commences from 2025/26 (Phase 1) or if it is more appropriate for 2026/7 and beyond (Phase 2).

5.2 A high-level proposal paper will subsequently be completed by the taskforce outlining the flexibilities required and the principles of use for funds reassigned to the Whole Family Early Intervention Fund. This paper will be brought to elected members for consideration prior to formal submission to the Scottish Government for consideration in the week beginning 16th December. Thereafter the taskforce will engage in intensive work over the course of January - March 2025 to develop the operational detail.

5.3 The Scottish Government are committed to this undertaking this change process with us. The SG have emphasises the value of the GCPP endorsing and supporting this work, which has been a strength of the work so far.

5.4 Intensive work on the detail of the flexibility requests will be undertaken between January and March. Work will also be undertaken to:

- Determine the shared outcomes that will be delivered using this flexibility. This will be shaped by the evolving Performance Framework.

- Understand the most appropriate mechanism to deliver this flexibility – for example whether this is achieved by providing future funding directly to GCC through the GRG with the removal of restrictions or through deviation from standard grant conditions. Intensive work with SG colleagues will be required to secure this.

5.5 This work requires careful management to ensure that whilst progress is made to deliver systemic change, we continue to ensure the appropriate stewardship

of public resources. Given this, the scope to use and enhance existing governance arrangements for the WFEIF is under active consideration as part of the management of this project. This will need to examine:

- guiding principles for the use of the Fund
- the process to assess proposals internally and with GCPP partners
- the role of both the City Administration Committee and the Integrated Joint Board regarding financial decision-making as well as the GCPP.

5.6 This work affords a unique opportunity to reshape the use of a significant proportion of the funding made available to the city. Learning from this first stage will be used to inform additional proposals for funding flexibility as well as contributing to the re-imagining of our performance framework. In the fullness of time there is possibility to test flexibility from resources both from and within national and local government and influence similar permissions across the range of funding and funders that operate in the city (Pots 4-6).

6. Recommendations

The GCPP is asked to:

- Note the contents of the report
- Agree to continue to align the Partnership's work in the city, and with Scottish Government, to fulfil the aspirations of the Programme for Government
- Endorse and support the continued development of partnership governance to drive public service reform through this work.

Annex A
GCPP Performance Framework

Background

In February 2024, the Glasgow Community Planning Partnership (GCPP) approved its ten year Local Outcome Improvement Plan (LOIP). This set out a single priority commitment for city partners to address 'Family Poverty – Reducing Poverty and Inequalities in Glasgow's Communities'. Alongside this, the LOIP sets out both a series of enabling themes as well as the key approaches that will deliver this work.

The LOIP commits the GCPP to developing a Performance Management Framework that will detail the outcomes to be secured over one, three and ten years of the plan. At their meeting in June 2024, the GCPP discussed at length the core elements of a Framework which should capture:

- a broad range of activity that will make a difference for communities
- the voice of our communities
- the extent of partnership working to facilitate change

Members of the GCPP Strategic Partnership nominated staff to participate in the development process. A scoping discussion took place in September 2024 to agree the approach and timescales, along with early contributions on the change that this Framework will seek to capture.

Process

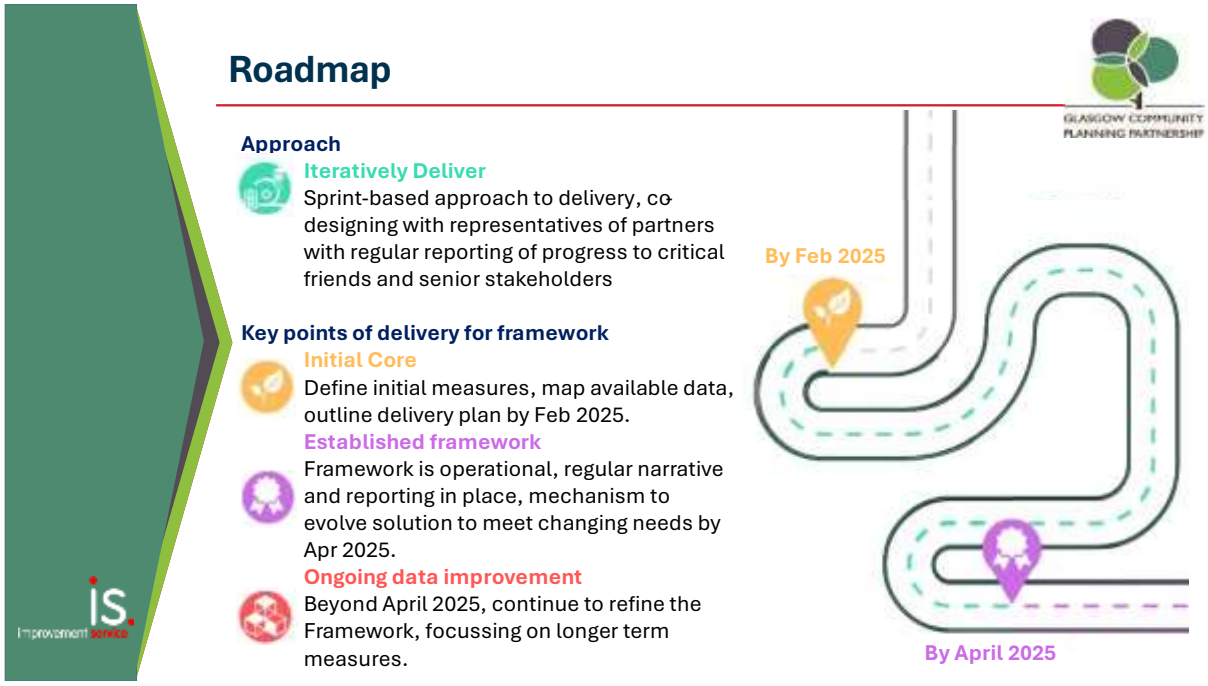
An agile approach, loosely based on the Dynamic Systems Development Methodology (DSDM) was agreed for this work. This tool supports a process of ongoing iteration and rapid development using a number of core principles that include;

- A focus on business need
- Building incrementally from firm foundations
- Developing iteratively
- Collaboration
- Continuous and clear communication
- Timely delivery
- Focus on quality

A group of 'co-designers' have been undertaking the detailed work to shape the Framework over the remainder of the financial year. A series of intensive 'sprints' are operating on a six weekly cycle consisting of fortnightly workshops.

At the end of each sprint the co-designers come together with a Critical Friend Group to sense check and seek comment on progress as well as providing an opportunity to secure input on challenges and barriers. This affords the space to reinforce or reset as appropriate. Updates on progress are provided to both the Community Planning Executive Board and Strategic Partnership.

The slide below provides an overview of the agreed process.



Current Position

The first Sprint took place during September and October 2024. The co-designers focused on determining:

- the detail of each of the enabling themes in the Community Plan
- the type of activity that would contribute to delivering on these
- what 'good' would feel like in communities for each theme

More than 200 contributions were collected and using these, the co-designers shaped the questions that would determine progress made towards improvements across the themes. These questions were posed to demonstrate user voice, culture change and the breadth of activity required to deliver on the core outcome of addressing family poverty. Around 240 questions were collated which were refined to remove duplication and group similar questions. Work then took place to consider these questions through the lens of organisations, service users and the Partnership. This provided greater insight and supported the identification of approximately 150 proposed measures to help to answer the questions posed.

An intensive prioritisation exercise then took place to determine the most ***meaningful*** and the most ***measurable*** questions. A total of 60 questions were identified – ten for each of the five enabling themes and a further set of ten that focused on the principles of a Framework itself. This represented a first draft of the co-design group's core Performance Framework.

Despite focusing on the enabler themes, the co-designers recognised a number of crosscutting themes throughout the question sets. These were:

- Community Empowerment and Ownership
- Collaboration and Partnership
- Access to Services and Support
- Preventative Approaches and Early Intervention
- Economic Opportunities and Local Wealth Building
- Inclusivity and Reducing Inequalities
- Quality of Life and Wellbeing
- Lifelong Learning and Skills Development
- Sustainability and Resilience

This demonstrates an ability to use the key questions to shape the GCPP's narratives from a range of perspectives.

A workshop with the Critical Friend Group took place on 4th November to discuss the output to date and seek further steers on the direction of travel. The key feedback emphasised that the Framework should:

- Focus on fewer significant outcomes that demonstrate change over ten years
- Include associated 'proof of change' interim measures that are quantitative and qualitative
- Be designed to inform and used to motivate change, to influence action rather than simply report measures
- Measure the collective impact of the Partnership
- Focus on impact not activities

The Critical Friend Group also requested that the Framework be structured around the three approaches to deliver change described in the Community Plan; **person centred, place based and public service reform.**

The second Sprint series commenced on 19th November and is using the feedback to refine and refocus the work to date. Over the course of this Sprint, data expert colleagues will begin to identify the existing sources of intelligence to respond to the questions posed by the Framework as well as where and how alternative approaches will be necessary, including how best to use community insights and engagement.

A further Critical Friend Group will take place on 8th January 2025. This will inform the focus of the third Sprint which will commence in mid- January. A draft Performance Framework will be completed for consideration by the Strategic Partnership at their meeting scheduled for 25th March 2025.