

## APPENDIX A



**Glasgow City Council**

**Executive Committee**

**Report by Bailie Aileen Colleran, Executive Member for Communities**

**Contact: Annemarie O'Donnell      Ext: 74522**

### Integrated Grant Fund – Review

#### **Purpose of Report:**

To seek Executive Committee consideration of the high level objectives for a review of the Council's Integrated Grant Fund

#### **Recommendations:**

The Executive Committee is invited to:

- Note the content of this report
- Consider the scope and objectives for a review of the Integrated Grant Fund
- Agree the outline grants programmes from 2015/16
- Consider proposed challenges and initial proposals to achieve the Review objectives including a proposed 3 year funding programme from 2015/16
- Note that further consultation and stakeholder engagement will take place in relation to the scope and remit of the review
- Note that there will be a further report to the Executive Committee after the Council's summer recess and again in December 2014

Ward No(s):

Citywide:

Local member(s) advised: Yes  No       consulted: Yes  No

#### **PLEASE NOTE THE FOLLOWING:**

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## Introduction

1. This report puts forward high level objectives for a review of the Integrated Grant Fund from 2015/16 onwards. It sets out some initial proposals as to how the objectives could be achieved and the process to complete the review exercise.

## Background

2. In December 2009, the Executive Committee approved the introduction of a range of Council grant funding programmes starting in 2010/11 known as the Integrated Grant Fund (IGF).
3. In December 2012, the Executive Committee agreed a two year package of awards from 2013/14 and 2014/15 (as outlined in **Table 1** below).

**Table 1**

<b>Citywide Programmes</b>	<b>Annual Allocation 2013/14 &amp; 2014/15</b>
Employability	£10,014,866
Families & Early Years	£3,945,836
Community Safety	£3,707,558
Learning	£1,798,034
Arts & Culture	£1,881,630
Equality & Diversity	£1,709,504
Health & Wellbeing	£1,163,133
Community Facilities	£947,897
Youth	£829,101
Vulnerable Adults	£557,045
Third Sector Support	£335,209
Community Engagement	£148,800
Re-profiling	£806,150
<b>Total</b>	<b>£27,844,763</b>

<b>Local Programmes</b>	<b>Annual Allocation 2013/14 &amp; 2014/15</b>
21 Area Partnerships – Area Budgets	£1,434,986
10 former Local Community Planning Partnership Boards	£8,932,590
<b>Total</b>	<b>£10,367,576</b>

## Context

4. A significant number of changes have taken place since the first IGF grants were awarded in 2010/11. Whilst the IGF has evolved over time, there is now a real need and opportunity to undertake a comprehensive review of the IGF in recognition of the following:
  - The new Single Outcome Agreement (SOA) for Glasgow
  - The Statement on Joint Working and Resourcing in Community Planning
  - Reconfiguration of the CPP/Local CPP Governance Structures

- The restructuring of Police and Fire and Rescue Services in Scotland
- The publication of the 2011 Census
- The Council's policy of Community Budgeting
- The commitment to provide longer term grant funding to third sector organisations
- European Funding for the period 2014-2020
- Potential future financial pressures
- The continual need to deliver greater efficiencies in administration

5. In addition, due to ongoing service reform and efficiency exercises, it is possible that the scope of the IGF review may require to be expanded to include funding streams which are currently outwith the IGF. It is proposed to provide a further update on this to the Executive Committee after the Council's summer recess.

6. This paper sets out the objectives, scope and challenges for a review of the IGF.

### **Objectives of Review**

7. The objectives of the IGF review are proposed as follows:

- Re-model of the IGF funding programmes in line with Strategic Priorities;
- Develop clear objectives for the IGF and a three year funding plan;
- Re-configure the IGF in light of SOA priorities and new CPP governance structures;
- Develop a funding framework that includes an element of Community Budgeting;
- Re-model the application, assessment, award payment and monitoring processes to provide a more efficient and proportionate approach to administration of grants;
- Devise a Single Monitoring Framework that covers three monitoring fundamentals – Performance/Impact/Compliance;
- Identify and explore opportunities for streamlining and efficiency of all aspects of IGF administration;
- Devise a more efficient approach to the administration and monitoring of grant funding to Council Services and Council Arms Length External Organisations (ALEOs);
- Develop customer service standards and protocols to be used as the basis of engaging with grant recipients; and
- Develop proposals for re-branding and promotion.

### **Scope of the Review**

8. It is proposed that the scope of this review includes:

- All current IGF funds, including Community Facilities Social Enterprise Fund, Area Budget Grants and Playscheme allocations;
- Governance and decision making arrangements, including delegated authority;
- Remit of Area and Sector Partnerships in connection with the IGF;

- Role of Council family members in delivery of the IGF;
- Consideration of the merits of including funding streams currently outwith the IGF;
- Engagement with all relevant stakeholders and partners; and
- Administrative and business processes used to support delivery of the IGF.

## **Principles and Approach**

9. In taking forward the review, it is proposed that the following principles are adopted:

- That organisations currently funded through the IGF are given the opportunity to demonstrate that they can deliver against new priorities and outcomes in any new IGF programmes
- That proposed future arrangements are flexible enough to accommodate the delivery of efficiencies, or investment, in future years
- That, where necessary, some of the new arrangements are phased in over time

## **Challenges**

10. The vision of the IGF is to ensure that the significant resources Glasgow City Council (GCC) provides by way of grant payments, whether individually or in conjunction with its CPP partners, to the third sector and other parties, are used efficiently and to meet the agreed policy and service delivery priorities of the Council and its partners.

11. In delivering this vision, a number of challenges have been identified as follows:

Challenge 1	Alignment to priorities
Challenge 2	Former Local CPP funding
Challenge 3	Area Grants Budget
Challenge 4	Strategic Funding
Challenge 5	Longer term funding
Challenge 6	Leverage of the IGF
Challenge 7	Openness of the IGF

12. Within each of these challenges are outline proposals which it is proposed are taken forward with a range of Stakeholders and using a variety of methods for engagement.

### **Challenge 1 – Alignment to priorities**

13. The IGF has traditionally been aligned to the SOA, CPP and Council priorities. The new SOA focuses the CPP on a smaller number of key priorities as follows:

- Youth Employment
- Vulnerable People
- Alcohol

- Targeted Neighbourhoods (Thriving Places)

14. CPP Partners are also required to consider how their mainstream budgets will be targeted at SOA priorities in furtherance of the commitment to implementing the Statement on Joint Working and Resourcing in Community Planning.

15. The existing IGF funding programmes were devised with a view to encompassing a broad range of services being delivered via a number of previous funding sources – these programmes were aligned to the (then) SOA, CPP and Council priorities.

16. It is proposed that the IGF is re-aligned to SOA, CPP and Council priorities from 2015/16.

17. In light of the context outlined at paragraph 4 above, the existing IGF programmes have been mapped in **Appendix 1** against emerging and new priorities in particular focusing on SOA and Scottish Government National Outcomes. It is proposed to devise a new set of programmes which will encompass the existing IGF programmes – all existing programmes have been mapped against the proposed new programmes. The proposed new programmes are:

- Alcohol, Health and Wellbeing
- Young People and Youth Employment
- Vulnerable People and Families
- Safer Communities
- Fairer Communities
- Sustainable Communities

18. Members are asked to note that, if these outline funding programmes were approved, officers would undertake to devise with a wide range of stakeholders (including Glasgow's Third Sector Forum and IGF funded organisations), outputs and outcomes in relation to each of these programmes. In turn, these programme outcomes would form the basis of submissions by existing IGF funded organisations, upon which an assessment of "fit" could be undertaken and presented to Executive Committee later in 2014.

19. It is recognised that not all existing IGF funded organisations will be able to fully demonstrate that their projects are aligned to these new proposed Programmes. Arrangements for supporting organisations to transition to delivering against the new programmes will be required. It is considered that the Programme headings and detail once developed will require balance focusing IGF investment on SOA priorities and the wider Community Programmes.

20. It is also proposed to move to a more progressive outcome based grant investment where, over time, assessment of the impact of grants programmes can not only provide an insight into the effectiveness of what has been funded but inform future investment through, for example, highlighting good practice and optimum interventions.

21. Revised monitoring arrangements will be developed including in relation to performance, impact and compliance and the communication of monitoring reviews to funded organisations and the Council. This would include development of a proportionate monitoring regime and measures aimed at streamlining administration.

### **Challenge 2 – Former Local CPP funding**

22. The establishment of new Governance arrangements for the CPP requires consideration of where the local (i.e. former Local CPP) IGF programmes sit.

23. In 2014/15, funding of £8.9m (24% of the total IGF) has been allocated at former Local CPP level. All projects funded at this level have also been mapped against the existing IGF Programmes detailed in Table 1.

24. In considering options related to how the funding and projects could be reconfigured it is recommended that the following factors should be considered:

- The link between locally funded (former Local CPP) and the current IGF Strategic Programmes
- The link between (SOA, CPP and Council) strategic priorities and locally driven priorities (based on local need) to be reflected in Sector Investment Plans
- Analysis of historic allocations and the comparison with the most recent Scottish Index of Multiple Deprivation
- Consideration of Census statistics and other relevant indicators
- A potential weighting towards Targeted Neighbourhoods (Thriving Places)

25. All former Local CPP funding will require to be considered in light of the new CPP Sector and Area Partnerships. This would be informed by a detailed analysis of the existing funded projects and at what level (e.g. Sector, former Local CPP level).

### **Challenge 3 – Area Grants Budget**

26. Decisions on the Area Grants Budget awards are made by the new CPP Area Partnerships (APs). Funding of £1.4m (4% of the total IGF) has been allocated to the APs.

27. In 2012/13, £318,230 (23%) of the Area Grants Budget was awarded to Council Services.

28. It is proposed that:

- A. Council Services should no longer be eligible for grant funding from the Area Grants Budget from 2015/16 – it is proposed that notional budgets could however be allocated to Services based on historical data.
- B. Consideration is given to increasing the overall Area Grants Budget. This could be achieved, for example, by disaggregating elements of the existing

IGF Community Facilities or Arts and Culture programmes enabling more informed local decisions via a community budgeting approach.

C. Consideration is given to the following:

- the merits of a scheme of delegation
- eligibility and criteria
- simplifying the process (e.g. school trips, playschemes)
- targeting the funding
- eradicating duplication (e.g. funding to Council Services)
- links to community budgeting
- promotion and marketing

#### **Challenge 4 – Strategic Funding**

29. Glasgow City Council as a partner in the CPP is required to consider how it will align its resources to target the SOA priorities in furtherance of the commitment to implementing the Statement on Joint Working and Resourcing in Community Planning.

30. Whilst a large number of services are provided via IGF funding, there are potentially unnecessary administrative costs and bureaucracy associated with some grants – e.g. grants to Council services and ALEOs are subject to the IGF monitoring regime. ALEOs are also subject to separate Governance arrangements.

31. It is proposed that these arrangements are rationalized aimed at simplifying administration and promoting Joint Working and Resourcing in Community Planning.

#### **Challenge 5 – Longer term funding**

32. The existing 2 year IGF funding programme for 2013/14 and 2014/15 has been welcomed by Glasgow's Third Sector Forum and IGF funded organisations.

33. It is proposed that from 2015/16 a 3 year funding package is provided subject to available funding and grant conditions. Such a funding package would provide a stable financial platform for organisations to plan and deliver services from 2015/16 through to 2017/18.

#### **Challenge 6 – Leverage of the IGF**

34. At present, there is no requirement for match funding to be provided for any IGF projects. In 2011/12, the IGF generated £1.15 for every £1 IGF invested.

35. It is proposed that an overall leverage target should not be set, however consideration could be given to requiring a level of match funding (e.g. £1 for every £1 IGF) for specific project types – e.g. based on amount sought from IGF or the total project costs.

36. It is proposed that the IGF should require funded organisations, where appropriate, to deliver on wider Council and CPP requirements, e.g. Community

Benefit clauses. Specifically, it is proposed to make it a condition of funding that all staff employed utilising IGF grant funding are paid at least at the level of the Glasgow Living Wage.

### **Challenge 7 – Openness of the IGF**

37. The Area Grants Budget is open for applications throughout the financial year.
38. The wider IGF is however sometimes perceived as a closed budget. The Council's decision to create financial headroom in 2013/14 and 2014/15 at local (former Local CPP) and citywide CPP level has provided the opportunity to realign resources to new or emerging priorities.
39. Provision has existed for IGF Strategic Leads and the former Local CPPs to decide to stop funding existing activities to create financial capacity to fund new activities.
40. It is proposed that, again, some financial capacity should be identified (e.g. via reprofiling) freeing up funding to be targeted at new or emerging priorities.

### **Stakeholder Engagement**

41. It is proposed that a wide range of Stakeholder Engagement is undertaken in the coming months including but not limited to:
  - Development of the outputs and outcomes for the new proposed IGF Grants Programmes with a range of partners including the Third Sector Forum and IGF grantholders
  - Consultation on the proposals (and further developed proposals) within this paper with a range of partners including the Third Sector Forum and IGF grantholders
  - Providing information to the Glasgow CPP, Sector and Area Partnerships
42. In due course, there will be an ongoing dialogue with IGF grantholders to outline the assessment process that will be undertaken. They will be informed about the timescales involved and completion dates for funding documentation.
43. Prior to the anticipated Executive Committee decision regarding individual funding allocations in December 2014, briefings with the relevant Grant Programme Managers will be offered to each of the main party groups represented on the Council's Executive Committee. These sessions will allow elected members the opportunity to ask questions in relation to individual proposals.

### **Next Steps**

44. It is proposed to take forward the recommendations within this paper with a view to providing a further report, in particular on the outcome of Stakeholder Engagement, to the Executive Committee after the Council's summer recess.

45. It is proposed to submit proposals for funding for 2015/16 onwards to the Executive Committee in December 2014.

### **Equality Impact Assessment (EIA)**

46. In 2012/13, the Council developed an Equality Impact Assessment (EIA) process which has been adapted for use in assessing the Integrated Grant Fund decision making processes and assisting in ensuring that the requirements of the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 are met. These regulations demand that all polices and funding processes are screened for relevance. The General Duty specifies that, if relevant, an assessment of impact (EIA) must be carried out. Carrying out an EIA provides evidence there has been “due regard taken in relation to all funding decisions, allows for the opportunity to reflect on how we have done things, identify ways of doing things better for service users and increases transparency and accountability”.

47. Members are informed that an EIA will be undertaken in relation to any new IGF programmes as well as in relation to project funding recommendations later in 2014.

### **Council Strategic Plan Implications**

*Economic Impact:* There will be improved economic benefits as a result of awards to organisations through a more focused IGF.

*Sustainability:* The review will support organisations to consider issues around organisational and financial sustainability.

*Financial:* Outcomes will be maximised through targeted use of IGF resources and joint working and resourcing with partners.

*Legal:* Paragraphs 46 – 47 detail the process in relation to the Equality Impact Assessment.

*Personnel:* To be completed using existing resources.

*Sustainable Procurement and Article 19:* An environmental impact assessment was carried out for the 2010/11 period during the development of the Council’s Integrated Grant Fund.

### **Recommendations**

48. The Executive Committee is invited to:

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