

To: Policy and Resources (Community Development) Sub-Committee	Subject: Review of Urban Programme
From: Chief Executive	
Date: 7 January 1999	Ref: CE012/022/003

1.0 Purpose

- 1.1 The purpose of this report is to provide the Sub-Committee with a response to the Scottish Office consultation paper on the review of urban programme and to seek approval to submit this on behalf of the Council.

2.0 Review of Urban Programme

- 2.1 The Scottish Office issued a consultation paper on the operation of urban programme to ensure that the funding mechanism can effectively support Social Inclusion Partnerships. Responses require to be with the Scottish Office by 29 January 1999. It is not a review of the Government's Social Inclusion policies nor is it a review of the level of funding allocated to urban programme.
- 2.2 The document was circulated to all departments for their comments and these have been amalgamated into a corporate response which is outlined in the attached paper.

3.0 Recommendations

- 3.1 It is recommended that the Sub-Committee agree the content of the report and request the Chief Executive to forward these comments to the Scottish Office


Chief Executive

Review of Urban Programme: A Consultation Paper

1 How the money should be targeted - getting the right balance between targeting particular areas and groups of people?

Section 19 of the document highlights the fact that current Urban Programme eligibility criteria means that funding is not targeted at the majority of deprived household within Scotland. However the focus of the urban programme has always been to tackle problems relating to physical concentrations of deprivation rather than each individual occurrence. It would clearly be impossible to ensure that existing urban programme resources could be targeted on every household in need. As stated in the document, urban programme is only one of a number of policy initiatives aimed at tackling deprivation and social exclusion and it is more important to ensure co-ordination between all policy and activity areas thereby including all deprived household s rather than expecting one initiative to tackle all. It is essential that the urban programme retains its focus on dealing with multiple deprivation as it occurs in a concentration rather than individual cases. What may require to be examined is the definition of 'concentration'.

In relation to current PPA and RP, the tight geographic boundaries based on an statistical Census definition has led to issues arising relating to community involvement and participation. The artificial boundaries do not reflect either the local residents perceptions of its community nor the service delivery area of existing local authority community and voluntary sector agencies.

It would perhaps be appropriate to consider that whilst as a first stage the SIPs will require to be geographically constrained to give them a clear focus for co-ordination of activity and strategy and policy development. It would perhaps be more appropriate to negotiate the boundary and the target community on a partnership by partnership basis to achieve a local consensus. As a second stage it is likely that a further refinement in terms of eligibility will occur when individual policies and strategies are being developed to tackle issues affecting targeted residents.

2. Who should be involved and who should take the lead in decision making?

Whilst it is important that the decision making process be as open and transparent as possible it is essential that the process is also simple and easily understood. Motherwell North PPA and the Regeneration Programme have both established application process which are easily understood and which place a clear emphasis on the projects identifying how they would meet PPA and RP targets. The second stage in this process has recently been reached with the agreement of the Management Group that application processes and project development will be targeted on very specific areas of operation where a need or gap in service delivery has been identified.

Section 14 point 4 of the review document appears to suggest that the prevailing practice within partnerships has been to use urban programme funding to extend existing projects. This is not the case within the North Lanarkshire area where existing projects and new project were assessed through the same process with no preferential weighting being given to existing operations. Indeed several operational urban programme funded projects were unsuccessful in obtaining a continuation of their funding.

One of the crucial elements of the current system is the flexibility of the current funding system which allows Partnerships to address local circumstances and react to local situations. The Council would be anxious not to see the system become too restrictive in terms of eligibility criteria or match funding requirements.

Section 14, point 3 appears to suggest that Council based decision making processes can hinder the development of partnership working and that the current system is failing. However there is no evidence supplied to support this statement. Currently the evidence from Partnerships in North Lanarkshire is that there is participation of all Partners in the urban programme funding decisions. The recommendations from the Management Group are ratified by the Council's Policy and Resources (Community Development) Sub Committee and this has not proven to be a difficult or time consuming process. Delays have sometimes occurred after the decisions have been taken and in most cases these are due to the need to ensure that auditing, financial management and monitoring procedures have been understood. These would require to be put in place whatever organisation took the lead.

Currently the partnerships, as requested by the Scottish Office are attempting to reduce the amount of time spent on urban programme funding and to focus more on the wider strategic issues. This has led to the area of funding decisions being allocated to a sub-group for consideration. The refocusing on the grant awarding procedures will again focus attention on the funding issues rather than the bigger picture.

The time and costs incurred by the Council on the administration and support of projects funded through urban programme has always been greater than that provided from within the 2.5% administration fee. Particularly since 1997 the fee has been included within the overall grant to the PPA's and Regeneration Programmes. Consideration would require to be given as to the level and nature of this support should the 'lead role' move to another partner or indeed the time and cost implications on all partners taking on this role. The Council would however agree that it should not necessarily be the Council who should provide this support as projects may be better served by the expertise available from other partners.

One option may be to allow budgets to rest with the partnership organisations themselves. However to enable this to happen each partnership mechanism would require to be a legal accountable entity e.g. a company limited by guarantee and involvement in such a structured group may prove problematic for some of the partners and off putting to community representatives.

Additionally the introduction of enforced minimum match funding contributions either by one or all of the partners could become counterproductive with organisations again becoming focused on the financial elements of projects and programmes rather than the development of the project itself and the needs of the area.

It is likely that there would be greater flexibility if the grant could be paid via a wider range of the partners or through a partnership company. However there would require to be clear guidance on the roles and responsibilities of the grant giving agency and the accountability for ensuring appropriate financial accountability. The Council currently claim the grant in arrears. If the allocation was made to the partnership this arrangement would require to be further considered.

3 How best to spend the money to have a lasting impact?

The proposed aims of grant detailed in Section 27 would appear to be simpler and less prescriptive than the previous aims. However the Council would consider it appropriate to include a reference to the alleviation of poverty within the aims. On the role of the key three principles - co-ordination, prevention and innovation, each of the partnerships should be allowed the flexibility to determine the relative priority of each of these principles in relation to the current activity within their target areas and in pursuit of their key strategic objectives.

4 Using the grant to make a difference?

In relation to the question outlined in section 31, where circumstances will allow it would be appropriate that projects, being supported through urban programme, should have an exit strategy at the outset of their funding period. This could range from the agreement of a partner agency to support all or an element of the service on the conclusion of funding or in fact the agreement that the project is time limited i.e. it can achieve its objectives within the grant funding period.

Should the financial accountability for urban programme remain with the local authorities after this review, the Council consider it essential to recognise that it is a partnership responsibility to consider supporting projects and services when urban programme funding ceases not just a local authority responsibility. This is now being recognised in the North Lanarkshire area with the Health Board agreement to support elements of a violence against women project at the end of its funding period. It may be appropriate to consider making mention of this within any guidance.

It may be appropriate to consider tapering allocations to projects, however the Council believe that this should not be a condition of grant but rather a option open to partnerships to consider when taking funding decisions based on the individual projects to be supported.

5 Partnership Support

In relation to partnership support, it has been recognised by most existing partnerships that there is a need to provide appropriate support for the partnership and in fact this decision was taken in North Lanarkshire prior to the additional support being identified by the Scottish Office through Partnership Vote mechanism. The Council would not consider it appropriate to make identification of the support a condition of grant unless the urban programme grant was increased to take account of this responsibility. Additionally if partnership support was to become a condition of grant, clarity is sought on how this would relate to the existing Partnership Vote arrangements.

6 Community Support

In relation to the provision of community support, this has been identified within the Motherwell North PPA as a one of the three priority areas and a sub-group has been established to look at issues surrounding the establishment of appropriate community support mechanisms. It would appear that funding for this area of work is likely to be available through a variety of sources not only through urban programme. Therefore whilst it is important that partnerships recognise community support as a priority, the Council believe that it would not be appropriate to make support for this activity a condition of grant other than in the most general terms. Each partnership area is different and the imposition of a uniform condition would not be appropriate.

7 Council Grant

Currently the grant funding is provided through the Local Government Grants Social Need Act 1969 and a move away from this legislation would change the focus of the urban programme activity away from social need. The proposed legislation would appear to give an undue emphasis in respect of physical regeneration and whilst the activities cited are varied, there is no reference to the alleviation of poverty or in fact to the provision of community support and empowerment.

8 How the financial management framework could be improved?

As detailed in the paper the existing financial management structure can be complicated and clarity would be welcomed on the roles and responsibilities of all of the individuals.

It may be that this information will require to be issued in the form of both rules and guidance dependant on the information being provided. The North Lanarkshire PPA has already issued financial guidance to all operating projects and instigated limited training in respect of the new financial procedures. If the partnerships are to provide training, would this be expected to be paid for from the grant already allocated or would additional resources be provided. Additionally it may indeed be appropriate to provide training for partnership groups at a national level and this could perhaps be facilitated by the Scottish Office itself.