

REPORT TO: Cabinet

MEETING DATE: 8 March 2011

BY: Chief Executive

SUBJECT: Fairer East Lothian Fund

1 PURPOSE

- 1.1 To outline the purpose and priorities of the Fairer East Lothian Fund and to agree the process for the allocation of the Fund in 2011/12, including transitional arrangements.

2 RECOMMENDATIONS

- 2.1 Members are asked to:
- note the purpose of the Fairer East Lothian Fund and agree the key outcomes for the Fund (para 3.2 & 3.3)
 - approve the process for allocating the fund in 2011/12 (para 3.4)
 - approve the process outlined for transitional funding (para 3.5 & 3.6).

3 BACKGROUND

- 3.1 In 2008, the Fairer Scotland Fund was established to encourage community planning partners to work together to tackle area based and individual poverty and to help more people to access and sustain employment opportunities. Over the past two years (2009/10 and 2010/11), 22 projects have been funded to undertake work to tackle poverty and deprivation across East Lothian. The funding for individual projects comes to an end in March 2011, although due to delayed starts several projects have funding through until summer 2011. The 2011/12 Council budget maintains grant funding for tackling poverty through the Fairer East Lothian Fund at the level of actual spend in 2010/11 – £476,000. This report outlines the arrangements for inviting and assessing applications to the Fund in 2011/12.

- 3.2 The Tackling Poverty Theme Group realises that in order to achieve real success in tackling poverty, it must retain a focus on tackling the root causes of poverty in East Lothian. However, within the current economic environment, the priority areas for the focus of the group have changed. Therefore the group (and the welfare reform subgroup) has agreed to refocus the work of the group on a single headline outcome: '*Fewer People in East Lothian will experience poverty*'. This outcome will be the cornerstone of the Tackling Poverty Strategy that is to be prepared. This approach was endorsed by the Council at its meeting on 22 February 2011 .
- 3.3 The Tackling Poverty Theme Group considers that the Fairer East Lothian Fund should deliver on the following key outcomes:
1. Fewer people in East Lothian will be financially excluded.
 2. Financial capability in East Lothian will be improved.
 3. The life chances of people at risk of falling into poverty, or already living in poverty, will be improved.
 4. People in East Lothian will have better access to advice and information services, including debt and money advice.
- 3.4 A timetable for the allocation and approval of funding grants from the Fairer East Lothian Fund is outlined in Appendix 1 of this report. It is proposed that a Funding Panel, drawn from the Tackling Poverty Theme Group, should be established to consider all applications and make recommendations on which projects should receive funding. These recommendations will be presented to Cabinet for final approval.
- 3.5 In order to enable existing Fairer Scotland Fund projects to continue their current work whilst the new funding application process is put in place, we are proposing that we offer transitional funding. This will cover the first quarter of the 2011-12 financial year and will be available to projects whose funding comes to an end prior to 30 June 2011, are achieving positive outcomes and that meet the new criteria being established for the Fairer East Lothian Fund. Several projects currently funded through the FSF have funding that takes them up to or beyond 30 June 2011 and not all of the other projects will require transitional funding or meet the criteria outlined above.
- 3.6 Projects wishing to apply for transitional funding will be asked to complete an application form setting out their requirements and how they meet the Fund's objectives. Funding decisions will be made based on the application and evidence of successful performance reporting over the past two years. Funding recommendations will be reported to the Cabinet on the 29 March.

4 POLICY IMPLICATIONS

- 4.1 The successful allocation of Fairer East Lothian Funding will help us to achieve the desired outcome in the Single Outcome Agreement '*Fewer*

People will experience poverty in East Lothian' and build on the commitments made through Support from the Start and other tackling poverty work.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 An EQIA will be carried out on the application process and on the funding decisions made.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – The total for the Fairer East Lothian Fund available in 2011/12 is £476,000. The maximum that will be required to be used for transitional funding (see para 3.5) will be around a quarter of the fund – c. £118,000. This would leave at least £355,000 in the Fund for the remainder of 2011/12.
- 6.2 Personnel – none
- 6.3 Other – none

7 BACKGROUND PAPERS

- 7.1 The Impact of Welfare Reform in East Lothian report to Council, 22 February 2011

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Appendix 1 Timetable for the allocation of the Fairer East Lothian Fund

1. Report to Council considering the impact of the welfare reform agenda in East Lothian: 22 February 2011
2. Report to Cabinet outlining the purpose and priorities of the Fairer East Lothian Fund and establishing the process for the allocation of the Fund in 2011/12, including transitional arrangements: 8 March 2011
3. Tackling Poverty Theme Group to agree detail of application process and establish Funding Panel: 10 March 2011
4. Transitional funding applications sought and considered and recommendations made to Cabinet: 8 March - 29 March 2011
5. Funding application process opened (allowing 6 weeks application time): 21 March 2011
6. Initial funding application closes: 2 May 2011
7. Funding Panel meets and makes recommendations: 9 May 2011
8. Report to Cabinet for approval of funding allocations : 24 May 2011