

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

14TH MAY 2015

COMMUNITIES FIRST FUNDING 2015 – 2016

REPORT OF GROUP DIRECTOR COMMUNITY & CHILDREN'S SERVICES

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1. PURPOSE OF REPORT

- 1.1 To update Members on the proposed cuts by Welsh Government to the Communities First Grant for 2015/16 and what action is being taken to manage the impact of this reduction in funding.
- 1.2 To seek endorsement of the proposal for programme delivery to the Welsh Government for 2015/16 and agreement to undertake a comprehensive review of Communities First programme delivery over the next 6 months to inform future delivery models and programme activity from April 2016.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the reduction in grant allocation for 2015/16 and endorse the decision taken in respect of the distribution of those cuts to local cluster areas.
- 2.2 Endorse the preferred option (Option 2) for delivery in 2015/16.
- 2.3 Agree to a review of the Communities First programme, as part of a wider examination of our strategic approach to tackling poverty across Rhondda Cynon Taf, to inform the development of future delivery models and programme activity that will mitigate and minimise the impact of poverty in our communities.

3. BACKGROUND

- 3.1 Members will be aware that Communities First is the Welsh Government's community focused tackling poverty programme, which aims to improve the living conditions and prospects for the most vulnerable people in the most disadvantaged communities across Wales. In Rhondda Cynon Taf, the Council acts as the Lead Delivery Body (LDB) for the programme with a Central Team to oversee and administer the grant. The programme is geographically targeted across eight clusters with delivery planned at a local

level taking account of evidenced need and local priorities. Each cluster has a manager and team of staff to carry out delivery of the programme with varying levels of project funding. There is a mix of both Council and Voluntary Sector employed staff and some commissioned services through Voluntary Sector organisations.

- 3.2 Programme funding has been approved by the Welsh Government at varying intervals, with the last approval being given for the period February 2013 to March 2015. However, there is an expectation that delivery and community involvement plans are then revised and submitted for further approval on an annual basis taking account of changing or emerging priorities.
- 3.3 In June 2014, the Welsh Government requested that plans be updated and submitted for approval for delivery in 2015/16, assuming that current levels of funding would be maintained. Local staff teams and cluster boards developed the revised plans which were then submitted to the Council, as LDB, and Welsh Government for approval by the required deadline.
- 3.4 LDBs across Wales received notification on 16th December 2014 of a 5% cut in funding for 2015/16, which for Rhondda Cynon Taf resulted in a total reduction of £255,264 from £5,105,289 to £4,850,025.
- 3.5 The expectation on LDBs was to manage the reduction in allocated budgets without disproportionate reduction in either delivery of outcomes or community involvement activities, with submission of revised budgets needing to show the allocation across clusters and to be submitted to the Welsh Government by 16th February 2015.
- 3.6 Welsh Government have been advised of the delay in receiving submissions from Rhondda Cynon Taf and agreed to a revised date of March 2015.
- 3.7 Welsh Government has since advised that the £25,000 Community Involvement budgets included in each cluster delivery plan application cannot be cut. Also, the additional funding requested for the Pupil Deprivation Grant and LIFT programme will be approved at current levels and will not be subject to the 5% cut.

4. OPTION FOR REVISED BUDGET ALLOCATION IN 2015/16

- 4.1 In considering options available to achieve the required 5% cut to funding for 2015/16, the intention has been to minimise impact on delivery of outcomes across the programme and any financial implications for both the Council and partner Voluntary Sector organisations. A summary of the options considered is attached as Appendix 1.
- 4.2 Approved budget levels for individual clusters to date have not been equitable, therefore, trying to achieve an equitable 5% cut across clusters results in varying levels of impact on delivery.

- 4.3 Reducing staffing resources across clusters also results in varying levels of impact on delivery of outcomes, will take time to implement and potentially will have a cost implication for the Council's core budget or Voluntary Sector organisations due to some inevitable redundancy costs being incurred or reductions in management fees.
- 4.4 Reducing other available budgets have varying levels of impact on either delivery of outcomes or indirect impact on Voluntary Sector organisations.
- 4.5 The above considerations along with the anticipation of future potential cuts to the programme has led to a preferred option (Option 2) being recommended to Cabinet for delivery in 2015/16. The reductions included in this option have been achieved by realising savings from:
- actual anticipated salary costs rather than estimates, so for example pension costs have been taken out where staff are not currently paying contributions, but increase in annual % pay rise has been included;
 - reduced staffing costs based on actual spend in 2014/15, for example core premises costs for staff bases with no impact on Voluntary Sector organisations, reduction to travel budgets;
 - current vacant posts in the first quarter of 2015/16 while a recruitment process is undertaken, but taking account of where there are already interim arrangements in place to continue delivery;
 - a reduction in cluster staff training budgets, which will be centralised providing consistency, equity of provision and access to the funding and potential links with Flying Start and Families First workforce development budgets;
 - project associated budgets due to the usual annual revisions to project delivery, taking account of changing or emerging priorities, moving some activities under the Community Involvement budget where they better fit and utilising underspends experienced in 2014/15.
- 4.6 Whilst we are confident that the savings identified in the preferred option (Option 2) will have the least impact on delivery of outcomes locally, they can only be realised for one financial year.
- 4.7 With the introduction of both a shared outcomes framework in 2015/16 to better align the Communities First programme with Flying Start and Families First and the potential European Funded Communities4Work programme there is a need to review current arrangements going forward. Such a review will need to assess the risk of any changes to future Communities First programme delivery and funding on Voluntary Sector Partners and support them, where appropriate, to mitigate and minimise the impact of future programme changes on their Organisations.
- 4.8 Agreement is therefore sought to undertake a full review of the Communities First programme in 2015/16 and incorporate this as part of a wider review of our strategic approach to tackling poverty to ensure development of a more coordinated approach to anti-poverty work across the County Borough. It is anticipated that the review will be completed early autumn to help inform the

development of Communities First delivery and community involvement plans for 2016/17. These plans will be presented to Cabinet for their approval by November 2015, in line with the anticipated timescale for submission set by the Welsh Government.

5. CONCLUSION

- 5.1 The Communities First grant allocation for 2015/16 has been cut by Welsh Government by 5% and it is anticipated that similar levels of cuts could be forthcoming over the next couple of years.
- 5.2 The Delivery Plans developed for 2015/16 provide a pragmatic approach of distributing those cuts across cluster areas where there is least impact on delivery of outcomes, no impact to the Council's Core Budget, with regard to maintaining current staff resources and continuing existing partnership agreements for another year.
- 5.3 A full review of the Communities First programme in 2015/16 is needed which will allow the identification of opportunities to make appropriate changes for future delivery, allow time to plan for implementation which may require restructuring of staff teams, possible increases or de-commissioning of services provided by voluntary sector organisations or refocus of delivery in anticipation of further provision from European funding.