



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

WRITTEN STATEMENT BY THE WELSH ASSEMBLY GOVERNMENT

TITLE: Communities First: Update on the Outcomes Fund

DATE: 7 August 2008

BY: Leighton Andrews, Deputy Minister for Regeneration

Introduction

The purpose of this Statement is to report progress in developing the Communities First Outcomes Fund and to alert Communities First Partnerships to the need to start discussions as soon as possible with prospective partners with a view to preparing potential applications to the Fund. As a first step to setting up the Fund, the Statement also invites the submission of demonstration projects which will illustrate the key principles of the Outcomes Fund and inform the final development of the Fund.

Background

Our consultation earlier this year on the future of the Communities First Programme indicated our intention to establish an "Outcomes Fund" which would encourage the move to a more outcomes-focussed programme and promote programme bending among service deliverers.

In my Oral Statement to plenary on 17 June, I reported that responses to the consultation had generally welcomed the proposal for the Outcomes Fund. I confirmed our intention to proceed and that we would make available not less than £25 million for the Outcomes Fund over the next three years from the Communities First budget. We are now in a position to provide more details of what the Outcomes Fund will support, set out the essential criteria and invite the submission of a series of demonstration projects.

The Outcomes Fund

We are very clear that after seven years of the programme, Communities First funding needs to re-focus on front-line delivery. The Outcomes Fund is being structured to ensure that it will encourage Communities First Partnerships and their local partners to work together to deliver the real change that local people want for their areas. The new Fund represents a shift in funding away from support agencies and generic “capacity building” and a higher proportion of Communities First funding being devoted to front-line work led by Communities First Partnerships.

The Outcomes Fund will support activities which deliver real improvements at the local level in terms of tackling the key priorities for Communities First – child poverty, economic inactivity, job creation, income maximisation etc. Only Communities First Partnerships will be eligible to apply for funding from the new Outcomes Fund, but they will also have to demonstrate that they have the support of relevant service delivery organisations. Partners drawn from the public and third sector, including registered social landlords and community mutuels will be welcome. Applicants will also have to show that their proposals will involve and engage local people in planning and delivering the activity.

The Outcomes Fund will link closely to the revised Communities First Vision Framework. Respondents to the consultation agreed that the Vision Framework was a very useful tool, serving as the performance framework for Communities First. We have revised the Vision Framework, in consultation with colleagues across the Assembly Government, so it helps Partnerships to plan their activities in line with the agreed priorities for tackling poverty and disadvantage. Applications to the Outcomes Fund will need to show where the activity fits within the new Vision Framework system.

The Vision Framework

The revised Communities First Vision Framework is based on six thematic headings which reflect the key issues which need to be addressed in areas which are experiencing long-term poverty and disadvantage.

- Child Poverty
- Community Safety
- Health and Well Being
- Education, Skills and Training
- Environment
- Jobs, Business and Income Generation

Although the thematic headings differ slightly from those of the original Vision Framework (“child poverty” becomes a separate theme whilst “active community” becomes a cross-cutting principle for all projects), they broadly cover the same areas of policy and practice that affect communities. The main difference is that the new Framework no longer lists a very long series of

activities (but with no indication of what the purpose of the activity was or who should take it forward); rather it has been produced in a matrix format, for use as a practical tool for local Communities First Partnerships, partner organisations and as an aid for implementing strategic policies and targeted initiatives.

Listed under each Vision Framework theme will be the key strategic priorities, specific to each theme, which will contribute to bringing about regeneration at the community level. The priorities will be expressed in terms which mirror Assembly Government policies and policy structure in that theme. This will facilitate better linking-up between Communities First Partnerships and potential partners among the key service provider organisations which are responsible for delivering a strategic priority. Each theme will also identify a series of different levels of partnership working – from mainly community (but with support from a service provider) to mainly service provider (with community involvement). This is intended to enable Communities First Partnerships and their partners to plot a level of intervention appropriate to the activity and the experience of the Partnership.

The detailed content of the Vision Framework is being finalised in discussion with relevant departments across the Assembly Government – to ensure it captures the full range of policies and priorities which should contribute to the Communities First agenda and so that it accords with funding principles for the EU Structural Funds. Our discussions with the Wales European Funding Office (WEFO) suggest that the Assembly Government will be able to submit applications for a number of priorities under Convergence Funding to match fund projects from the eligible areas, thereby increasing the total amount of money available for the Outcomes Fund.

We will issue further details of the Vision Framework to Communities First Partnerships and stakeholders shortly. We will make an announcement about EU funding when we conclude our discussions with WEFO.

Final Development of the Outcomes Fund and Initial Demonstration Projects

The next round of Communities First funding starts from 1 April 2009. The Outcomes Fund will be in place for that start date. We recognise that some further work still needs to be done but we propose to start the process now by inviting a number of demonstration projects, which will allow us to highlight the priorities to be funded under the new Fund. By the end of November 2008 we want to have approved Outcomes Fund funding for seven demonstration projects submitted by Communities First Partnerships and their partners. Our aim is to have one approved demonstration project for each of the six themes of the Vision Framework. The seventh project should come under the general heading of Culture but should address at least one (and preferably more) of the Vision Framework themes.

The activity covered by the demonstration project will be for local Communities First Partnerships and their partners to determine but they will need to show how the project will contribute to at least some of the priorities identified under the chosen Vision Framework theme. In the case of the Culture project the sponsors will need to show which of the themes the project will serve.

To qualify for demonstration status, applicants will need to present evidence that the project meets the following criteria:

- It covers more than one Communities First area within a county or county borough area;
- That the commitment of the partner service provider is confirmed by a match funding contribution of at least 50% of the project cost;
- That there is clear evidence of the project fitting with local strategic priorities and plans; and
- That the project can demonstrate real community involvement and benefits.

We will approve no more than one demonstration project per local authority area.

To meet these criteria and timescales it is likely that a project accepted for demonstration status will be one which is already in development. Potential sponsors with proposals which they believe would constitute worthy demonstration projects should contact officials in the Assembly Government's Communities First Regional team with details as soon as possible.

Access to the Full Outcomes Fund

It is anticipated that initial expressions of interest for proposals to access the fully developed Outcomes Fund will be invited in November 2008. The criteria for access to support from the final Fund will not be as exacting as those for the demonstration projects, but will also need to demonstrate (i) their fit with the priorities set out in the Vision Framework; (ii) their links with local strategic plans; (iii) community involvement and benefit. Projects covering more than one Communities First area and with committed match funding from the service provider are likely to be given priority for financial support – although geographic considerations and the innovative nature of a project will be taken into account.

Detailed guidance on procedures for submitting Expressions of Interest for the full Outcomes Fund will be issued shortly.