

Evaluation of Direct Grants to Local Authorities as a potential model to distribute the debt levy funding devolved to Scottish Government



Introduction

Scottish Government asked the Improvement Service (IS) to identify potential funding

Following a limited consultation in 2019 it was agreed that two of the models identified would be assessed using a 'test and change approach'. The two funding models that were to be evaluated using this methodology were 'direct grants to local authorities' and 'change/innovation'.

Details of the other potential models and the result of engagement events held in 2020 can be found [here](#)

Purpose

The purpose of this report is to present the findings from the 'Evaluation of Direct Grants to Local Authorities as a potential model to distribute the debt levy funding devolved to Scottish Government'

Scope

To assess the effectiveness of this funding model it was agreed that four local authorities would each be awarded up to £25,000 to test the delivery of clearly defined activities directly related to the provision of debt advice. The format and scope of the activities was a matter for each to determine based on local needs and priorities, and the only requirement was that they had to be related to debt advice.

A summary of the activities delivered by the funding awarded to the four participating local authorities is set out in the table below.

¹ https://www.improvementservice.org.uk/_data/assets/pdf_file/0021/18057/debt-levy-funding-second-phase-update.pdf

Table One: Aims of funded activity in each local authority

	Falkirk	North Ayrshire	Clackmannanshire	Stirling
Intended aims of funded activities	<p>Advice originally targeted at 16-25-year olds to reduce rent arrears and eviction by improving financial knowledge/skills and reducing debt levels.</p> <p>Support provided to individuals to help them to reduce their debt levels by improving money management, digitally accessing cheaper energy, television or telephone / broadband providers, and the use of statutory and charitable sources of funding.</p>	<p>Provided a debt and money advice as part of a service that was integrated with the North Ayrshire Council Employability Pipeline and delivered by a third sector delivery partner, Community Housing Advocacy Project (CHAP).</p>	<p>Offered a person centered, holistic advice service focusing on income maximisation, money and debt advice and financial capability as part of a pilot project - STRIVE (Safeguarding through Rapid Intervention).</p>	<p>Sought to Identify and address the reasons why there was a 41% increase in young people (aged under 25) with debt issues being referred to the Stirling Council Advice Services Team.</p> <p>Developed a bespoke tool kit to support financial education in schools.</p> <p>Planned to Improve access to wide-ranging support and advice, which will include: employability, health and wellbeing, digital inclusion and money in selected schools</p>

Process

Following an open application process, proposals from Clackmannanshire, Falkirk, North Ayrshire and Stirling Councils were accepted. Inception meetings were held in early January 2020 at which any suggested amendments to the activities described in the individual application forms were agreed - along with the evaluation processes to be adopted. In February 2020, grant agreements were issued by the Improvement Service (IS) on behalf of the Scottish Government. Project delivery started in all areas but, as a result of the pandemic was suspended almost immediately. In 2021 activities again resumed but due to the ongoing impact of the pandemic had to adjusted.

Evaluation

It is important to recognise from the outset that the primary purpose of the evaluation of the 'tests of change' was to assess the effectiveness of this way of distributing finance as a potential funding model. To do this measures were agreed against which the effectiveness of the model would be evaluated. (Appendix One)

In relation to the evaluation, monitoring reports were provided by each of the participating authorities and two virtual individual progress meetings were arranged, A final review session was held in January 2022 to which all participating organisations were invited.

The table below sets out the extent to which each of the projects delivered by the four participating authorities met the assessment criteria. The assessment was based on an analysis of the monitoring reports that were returned, supported by individual interviews.

The results are colour coded with green being fully met, amber partly met and red not being met at all.

Table Two: Assessment of Projects delivered by each local authority in relation to agreed criteria

Assessment criteria	Falkirk	North Ayrshire	Clackmannanshire	Stirling
Clear funding source/without duplication	Secured additional funding from core budgets.	Council wasn't directly funding money and debt advice.	Council funding had not been provided for welfare rights and money advice.	Additional funding provided from the Parental Employment Support Fund
Support partnership/cross sector working	Established initial partnerships with Forth Valley College. Set up discussions with council services focussing on young people. Could not be fully developed due to the pandemic.	Developed relationships with employability services	Linked in with other public and third sector services to offer support to individuals at risk.	Engaged with partners in education and youth services and managed to maintain connections. Led to identifying new opportunities with other council services.
Evidence of quality	Difficult to assess given impact of pandemic. Some supporting data returned.	Difficult to assess given impact of pandemic. Some supporting data returned.	No data provided.	Difficult to assess given impact of pandemic. Some supporting data returned.
Increased accessibility	Using Attend Anywhere – provided virtual appointment system as well as face to face access in key locations.	Established increased number of referral pathways. Offered an additional range of access routes -most commonly used was phone.	No data provided.	Increased offer of digital access routes.

Earlier intervention	<p>Approach targeted at young people to support them at the earliest opportunity before debt becomes problematic.</p> <p>Especially relevant to young care leavers who are particularly vulnerable.</p>	<p>Some reluctance on the part of service users to fully engage.</p> <p>Many preferred to wait for access to face to face services.</p>	No data provided.	Not at this stage- but Thrive to Maximise/ Schools toolkit planned.
Contribution to National/Local Strategies	Supported aspects of National Performance Framework (NPF) -equalities, health and wellbeing, poverty.	Supported aspects of NPF -equalities, health and wellbeing, employment, poverty. Contributed to development of PSP 'Better Off North Ayrshire.'	No data provided.	Supported aspects of NPF -equalities, health and wellbeing, poverty, employment. Contributed to development of 'Thrive to Maximise'.
Complements existing debt/advice services	Targeted at vulnerable groups.	Links being established with Money Matters- in house advice team.	No data provided.	Tested new approaches that will have a wider impact- can be replicated authority wide.
Sustainability	Enabled a need to be identified and supported. Attracted funding from other sources.	Findings from test of change used to make the case for continued funding.	No data provided.	Findings from test of change used to make the case for contribution to advice services from other sources of funding.

<p>'Added Value' defined and evidenced</p>	<p>Evidence of reaching out and engaging with vulnerable groups and enhancing existing service delivery by improving accessibility.</p>	<p>Establishment of a service that did not previously exist that linked employability and debt advice and targeted vulnerable individuals in the employability pipeline.</p>	<p>No data provided</p>	<p>Expanded service delivery to meet an identified gap.</p>
<p>Evidence of political and operational leadership</p>	<p>Senior manager support provided,</p>	<p>Influenced ongoing service review by council management team.</p>	<p>No data provided</p>	<p>Support drawn from across different authority leadership teams.</p>
<p>Development of a wider partnership involving relevant public sector and appropriate third sector stakeholders</p>	<p>Project had targets people had to work together to achieve.</p>	<p>This was a project commissioned by the local authority and delivered by the third sector in which new partnership arrangements were established</p>	<p>No data provided</p>	<p>Focus on extending internal working arrangements.</p>

Conclusions

Given that delivery across all projects could not proceed as planned, care must be taken in extrapolating any findings from the above assessment framework. Furthermore, Scottish Government indicated in a public webinar in August 2021 that it was not intended to distribute debt levy funding using this approach. Accordingly, it is not proposed to report in detail on the results of the analysis. It is however worth noting that in most cases, despite extremely difficult circumstances, the majority of the assessment criteria were met.

Listed below are some of the issues raised by participating councils in relation to adopting this model for distributing the devolved debt levy funding.

There was disappointment that the planned projects could not proceed,
“the timing was wrong”

The organisations that participated in the programme collectively thought that there were advantages in this model but that determining the basis of distribution of the funding would be difficult. There are however mechanisms that could support this.²

Ensuring that any funds were used to support delivery of advice services and not diverted into other areas would not be problematic as external funds from other sources can be ring-fenced.

It was suggested that a grants programme might offer the best option but should be open only to local authorities which would in turn distribute it across their constituent areas. This was based on the fact that,

“Councils have a leadership role and know their areas and community needs best”

All participants were committed to the concept of partnership working and suggested that,
“The fund could promote improved working together to bridge gaps. This could be between both neighbouring councils and the third sector”

Grant funding could be shared quickly and efficiently using existing systems. Processes are already in place to distribute grants, as evidenced by the distribution of additional funding received during the pandemic.

All the organisations stressed the benefits of locally based initiatives and were concerned that diverting resources into national organisations meant that local needs were not always addressed.

² COSLA/ Scottish Government have joint group called the Settlement & Distribution Group that considers this and reports to their

Appendix One:

Assessment Criteria

Intended Aims	To what extent have the grant funded projects been meeting the intended aims of the initial application?
Clear funding source/without duplication	Are the sources of funding clearly defined and free of duplication from other funding bodies?
Support partnership/cross sector working	Is the project fostering the development of beneficial partnerships or cross sector working? May it have benefits in the future?
Evidence of Quality	Has the organisation stated how they measure the quality of service provided as a result of the grant funded project?
Increased Accessibility	Does the grant-funded project enhance accessibility for potential service users?
Earlier Intervention	Does the grant-funded project promote earlier intervention for potential service users?
Contribution to National/Local Strategies	Does the grant-funded project fit into stated strategic aims for both the local region, or nationally?
Complements existing debt/advice services	Does the grant-funded project support pre-existing forms of debt and money advice services in the local area?
Sustainability	Have there been plans made for continuing the grant-funded project and activities once the funding period has come to an end?
'Added Value' defined and evidenced	Have the wider and direct benefits created by the grant-funded project for any service users and/or stakeholders been defined? If so, have they been evidenced in any way?
Evidence of political and operational leadership	Have resulting activities been supported by leadership management for contributing to strategic organisational goals?
Development of a wider partnership involving relevant public sector and appropriate third sector stakeholders	Has the grant been used to facilitate partnership working across both public sector and third sector organisations?