
To: North Strathclyde Community Justice Authority

On: 13th March 2015

Report by: Chief Officer

Heading: Criminal Justice Social Work
Section 27 Grant Allocation 2015/16

1. Summary

- 1.1** The Scottish Government have advised the Chief Officer in their letter of 28th November 2014 of the Criminal Justice Social Work Section 27 Grant Allocation for 2015/16. The letter is attached as Appendix 1 to this report.
- 1.2** For the sixth year in succession there has been no inflationary uplift to the level of total grant.
- 1.3** Although the Scottish Government have indicated in the letter that they have formally withdrawn the dampening mechanism in allocations to CJAs they have deployed a mechanism to mitigate the effects of this. The mechanism was developed in agreement with a range of partners including COSLA, CJAs and Social Work Scotland.
- 1.4** The allocation of grant to NSCJA in 2015/16 is £10,000,494 which is lower than the previous year's allocation of £10,117,963. It is also about £900,000 less than we received in our 2010/11 allocation.
- 1.5** As agreed at the meeting of NSCJA on 14/03/14 the allocations to Local Authorities in Appendix 2 have been made without applying dampening.

2. Recommendations

- 2.1** The Authority is asked to note the content of this report.
- 2.2** Approve the grant allocation as proposed in Appendix 2.
- 2.3** Request that a Revenue Budget Monitoring Report is submitted to the September, December and March meetings of the board.

3. Background

- 3.1** The Management of Offenders etc (Scotland) Act 2005 give the CJA the power to allocate to the constituent local authorities any amount paid to it under Section 27 a(1) and 27 b (1) of the Social Work (Scotland) Act 1968. The aim of this funding arrangement is to match resources against priorities described within the Area Plan to reduce reoffending.
- 3.2** Core funding is intended to provide grant for these statutory duties which local authorities have to provide through their criminal justice social work services. Non core funding is used to fund local pilot schemes which have been agreed by the CJA and other projects which have been initiated centrally by the Scottish Government.

Implications of the Report

1. Financial

Due to the overall reduction in grant to the CJA and the withdrawal of dampening there will be reductions in onward grant to some local authorities. Chief Social Work Officers from East Renfrewshire, Renfrewshire and Inverclyde have agreed to review the DTTO and Throughcare schemes with a view to reducing costs thereby mitigating the overall impact of the reduction. A separate report to this meeting of NSCJA will provide members with the outcome of this review.

2. HR & Organisational Development

There may be staff implications as a result of the allocation but these are unknown at this stage. Chief Social Work Officers have agreed to cooperate on vacancy management as a way of mitigating the potential effects of this.

3. **Equality & Human Rights**

The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Authorities website.

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In 2014 Scotland Welcomes the World



28 November 2014

Dear Mr Hunter

CRIMINAL JUSTICE SOCIAL WORK SERVICES ALLOCATION OF GRANT FOR 2015-16

I am writing to inform you of the ringfenced funding allocations to your Community Justice Authority (CJA) for the delivery of Criminal Justice Social Work services for the financial year 2015-16. Your allocation for 2015-16 is £10,000,494. This funding is provided under sections 27A and 27B of the Social Work (Scotland) Act 1968 as amended. Chief Officers, as budget holders, are responsible for the effective financial management of the funds allocated to their CJA, and for resource allocations across their constituent local authorities.

Outcomes

This funding is being provided by the Scottish Government to your CJA in order to allow you to discharge your statutory duties and to work towards reducing reoffending in your CJA area in accordance with your area plan.

Additional Flexibility

As you will be aware, for the 2013-14 the distinction between “core” and “non-core” funding was removed at the point of allocation and each CJA was provided with one single funding allocation. Previously, core funding was provided as core grant for those mainstream services which were available on a Scotland-wide basis and non-core funding was provided as a grant for particular initiatives, for example pilots.

This change in how allocations were made was in line with recommendations by Audit Scotland, in their November 2012 report *Reducing Reoffending in Scotland*. They commented on the lack of flexibility in how funding was used by CJAs. This change to allocations was also supported by a funding review group, made up of representation from CJAs, COSLA, ADSW and the Scottish Government, amongst others.

While there was a number of factors identified by Audit Scotland that may have contributed to this perceived inflexibility, such as money being tied up in staffing and court mandated processes etc. the added flexibility as a result of this change was designed to move away from a sense that a central prescription of budget lines may have been constraining CJAs in how they chose to deploy funding.

CJAs are no longer required to approach the Scottish Government with requests to vire money between budget headings. CJAs are free to allocate funds as they see fit across their CJA area in accordance with their area plan and in the way they see as most appropriate to fulfil their statutory obligations and to reduce reoffending.

Outcomes

In exchange for this increased flexibility, the Scottish Government expect to see progress being made by CJAs towards the Scottish Government national outcome of reduced reoffending.

CJAs have recently shared their annual reports with Scottish Government for 2013/14 and officials are working with them to review these and provide constructive feedback. We will be writing to CJAs and other stakeholders to make clear that they should engage in early discussions about how to utilise resources most effectively, and should particularly look to the Scottish Government report: What Works to Reduce Reoffending: A Summary of the Evidence, as an aid to determining how to strategically commission services. The expectation is that CJA Annual Reports will provide evidence how funding has been used and how CJAs are contributing to the national outcome of reducing reoffending.

Calculation of allocations and next steps

For audit purposes, and in order to calculate allocations, the Scottish Government continue to use the core and non-core distinction in order to determine the allocation total that goes to each CJA area. Scottish Government is currently reviewing non-core allocations to ensure that they remain fit for purpose and to make sure that any inequalities of distribution are not just perpetuated within the funding allocations moving forward. The RRP2 funding group will be responsible for taking forward this work, which will include a review of the current funding model and distributing mechanism. Allocation among CJAs of available grant for core services is determined by the funding formula. The changes to the formula since last year are set out in the section below.

Redesign of Community Justice and determining future funding

The Funding Project under Phase 2 of the Reducing Reoffending Programme (RRP2) is looking at existing community justice funding arrangements and how best it might support the work on the redesign of community justice. The project is also working alongside the performance management project to develop a funding model that will support the delivery of outcomes and align with the work to develop a new model for community justice in Scotland.

Distributional Changes (Dampening and the funding formula)

Dampening

The funding allocations for 2011-12 were frozen at 2010-11 levels to allow stability of funding for the first year following the introduction of the Community Payback Order (CPO) in

February 2011. CPOs replaced the previous community orders: Probation Orders, Supervised Attendance Orders and Community Service Orders, which were existing measures in the formula. For 2012-13 and 2013-14 the formula used a method of dampening which limited year to year changes. This offered protection from too volatile a movement in funding as CJA allocations were once again determined by the formula following the freeze, and a further rationale of dampening was to cushion the effect of other funding changes that occurred at the same time.

Formula

In August the funding group, (made up of representation from CJAs, SWS, Third Sector, SPS, COSLA and Scottish Government) and the joint SG and COSLA Settlement and Distribution Group (SDG) agreed that dampening should be removed from the funding formula. Both groups agreed that some form of mechanism should be applied, to mitigate the impact of removing dampening on CJA funding to ensure stability of services. This would involve capping any funding losses, resultant from significant changes in workloads. There was also a view that where possible, any increases in funding resulting from increases in workloads should be distributed, but this should be a level that is affordable and within the spirit of maintaining services and transparency.

This adopted approach protects services and does not require local authorities to manage potentially significant drops in funding over a short period of time which we recognise can be challenging. It also reduces the significant gap in funding which has been created over the last three years of dampening.

Annual Accounts

Chief Officers, as budget holders, are ultimately accountable for the proper use of the section 27 grant funds allocated to their CJA, including internal resource allocations across the constituent authorities. In the discharge of their duties, Chief Officers should act in accordance with the principles of the Public Finance and Accountability (Scotland) Act 2000 and related guidance, and the requirements of the Government Financial Reporting Manual. CJAs will also require to allocate Section 27 grant funding in a way which reflects the objectives of the area plan as well as other considerations, including any other related resources which partners propose to direct towards activities relevant to the plan. In this respect, they must satisfy the Government and its auditors that appropriate safeguards are in place for the protection of public funds.

Where a Criminal Justice Social Work Services grant is paid by the Scottish Government, in accordance with Section 27A of the Social Work (Scotland) Act 1968, a CJA has no discretion to forward it to a service provider other than a local authority, unless it provides the services following transfer of the functions under the relevant sections of the Management of Offenders etc (Scotland) Act 2005. It is however for CJAs to determine the proportion of funding to be allocated to the individual local authorities within their area of coverage in accordance with the priorities identified within its area plan. Accountability issues are fully set out in the Management Statement/Financial Memorandum.

At a Finance Officer's Sub Group meeting in June 2014 there was consensus that the 2014/15 annual accounts template should be simplified going forward to remove notional budget headings to allow CJAs to more accurately reflect how they use their budget. The Scottish Government will work with CJA finance officers to implement this change and further information will be provided in new guidance which will be issued in March 2015.

The Director of Finance should certify that the expenditure shown has been spent on the services indicated in the specific financial year. The accounts should be passed to the CJA's external auditor as soon as possible after the end of each financial year. On receipt of the audit returns, the Chief Officer should make arrangements to sign off the consolidated CJA audited return and submit to Audit Scotland by 30 September following the end of the financial year to which the annual accounts relate. A copy of the audited annual accounts should also be sent simultaneously to the Scottish Government marked for the attention of Michelle Main.

Following receipt of the CJA audited annual accounts from Audit Scotland, the Scottish Government will consider any comments made by external auditors and will ensure that appropriate action is taken. Any balance due will be paid up to the maximum level of the grant allocation. Any overpayment of grant will require to be repaid to the Scottish Government within one month of receipt of a letter informing the CJA that monies are due to the Scottish Government. The Scottish Government will make arrangements for the audited accounts to be laid before Parliament.

Intensive Support Packages (ISPs) and Virement

As a result of the removal of the distinction between core and non-core funding, the virement mechanism (whereby CJAs sought Scottish Government approval to move money between budget headings) will no longer exist. CJAs will be expected to meet the costs of monitoring individuals on ISPs from within their overall funding allocation. CJAs should continue to plan and make provision to fund ISPs in their area in the same way as they do currently. In the event that approval for assistance with an ISP is granted by the Scottish Government then the CJA will still be expected to meet at least 10 per cent of the cost.

As is currently the case, CJAs will be expected to evidence that they cannot meet more than 10 per cent of the cost of the ISP. Since the original allocation for supported accommodation remains within the overall allocation for CJAs then the Scottish Government will expect to see that full supported accommodation allocation having been spent on ISPs prior to any support for assistance with an ISP being sought. The current process requires that CJAs should look across all non-core funding to meet the costs of ISPs. Although under these new allocation arrangements non-core funding lines will not be separately identified at the point of allocation, CJAs will still be aware of the *total amount* of their funding which was formally non-core and should look within that non-core allocation in the first instance to meet the costs of ISPs.

A check against annual accounts will be made retrospectively by the Scottish Government and if necessary adjustments will be made to retention or future funding allocations.

Non-core funding

Although the changes made to the allocations process 2013-14 means that “non-core funding” will not be separately identified at the point of allocation, there are still a number of policy areas where the funding is provided and an update on those areas is set out below. These sums do not form part of the formula-determined allocation of funding. Activity for non-core sums may be time-limited (such as a pilot) or where we don't yet have three years' worth of data or a distribution across all CJA areas, which would allow us to move it into the core funding formula. The allocations tended to have been agreed on the basis of what funding would be required for a specific piece of additional activity.

We are continuing the process of systematically reviewing non-core lines as part of the work of the funding workstream within the Reducing Reoffending Programme phase two (RRP2). There are a number of lines that have been reviewed already as the policies are at a point where they require to be re-examined. Updates on these are provided below. In most cases this non-core funding can only be confirmed for one year.

As per the above, non-core sums are contained within the overall allocations. Non-core sums are allocations that were given to CJAs for particular purposes. In your CJA area your allocation contains non-core sums for the following areas of activity:

- Arrest Referral
- Constructs/Intervention funding
- CSOGP/Moving Forward: Making Changes
- Delivery of the National Training Programme
- Fiscal Work Orders
- MAPPA (Multi Agency Public Protection Arrangements)
- Turnaround Project
- Rolled-up non-core funding (for what were previously non-centrally initiated areas of funding)

This increased flexibility means that CJAs are free to spend these allocations on achieving their area plan objectives, fulfilling their statutory obligations and reducing reoffending. As you might expect however, if any non-core sums are not spent on the projects, pilots or areas of activity the funding was originally provided for, then CJAs remain accountable for those decisions, and the Scottish Government will initiate discussions about whether the same amount of funding should continue to be provided for that purpose. We would expect the mature relationship that the Scottish Government and CJAs have enjoyed to date to continue, and that CJAs will approach us and let us know when non-core sums are not being fully utilised and are no longer required. In instances where the CJA are acting as a funding route only for passing funding on from the Scottish Government to a third party, such as a third sector provider, then they will be expected to pass these sums on in their entirety, and the Scottish Government will hold the CJAs responsible for their allocation decisions and will if necessary make consequential adjustments to retention or future funding allocations if the allocations are not made.

Constructs – ‘Intervention’ funding

We are aware that a number of authorities do not use this programme, but use funding to support other forms of interventions they consider to be more appropriate for this client group. We will explore with partners whether this position can be formalised in the meantime, funding has been confirmed on the existing basis for 2015-16.

CSOGP / Moving Forward, Making Changes

Funding for CSOGP/Moving Forward: Making Changes sex offender treatment programme (accredited by the Scottish Advisory Panel on Offender Rehabilitation), remains within the overall allocation for 2015-16. ‘Moving Forward: Making Changes’ was rolled out during 2014-15 and the Scottish Government continues to engage with stakeholders. This includes the embedding of training delivered, utilising support from the Risk Management Authority (RMA) and examining how existing resources can be most effectively reconfigured to support MFMC. For funding purposes, CJAs should plan on the basis of 2014-15 funding rolling forward. Any adjustments which identify a reduction as part of this exercise will be discussed and agreed in advance of 2016-17 allocations.

Training Development Officers (TDOs)

We confirm a flat cash allocation will continue funding for training and development officers for 2015-16. This allocation provides a key resource in each CJA area to support the delivery of practice and skills development that is required to reduce reoffending.

Fiscal Work Orders (FWO)

There are currently seven FWO pilots across Scotland. The Angiolini Commission on Women Offenders recommended that FWOs should be rolled out nationwide, and that recommendation was accepted by the Scottish Government. We remain committed to rolling out FWOs nationwide (as recommended by the Angiolini Commission on Women Offenders) and intend, in agreement with both COPFS and CJSW, to move to a single nationwide rollout on 1 April 2015.

In rolling out FWOs we will be closely monitoring uptake during the first year of operation, and that we remain open to discussion in relation to longer term funding once we have robust data on both the uptake of FWOs and any resultant impact/reduction to related CJSW services.

Arrangements for payment of grant

The allocation of grant for 2015-16 will be paid in monthly instalments with application of a 2.5% retention factor. Upon receipt of the final audited claim for 2015-16 financial year any balance due from the Scottish Government will be paid up to the maximum level of the grant allocation. Any overpayment of grant will require to be repaid to the Scottish Government.

Please contact Michelle Main (tel: 0131 244 5439) if you have any queries.

Yours sincerely

STEPHEN HARPER

North Strathclyde Community Justice Authority
Indicative Allocation 2015/16

Service	2014/15 Allocation	2015/16 Allocation	Renfrewshire 2014/15	Renfrewshire 2015/16	Inverclyde 2014/15	Inverclyde 2015/16	East Renfrewshire 2014/15	East Renfrewshire 2015/16	Argyll Bute & Duns Partnership 2014/15	Argyll Bute & Duns Partnership 2015/16	TOTAL 2014/15	TOTAL 2015/16	Check 2014/15	Check 2015/16
Core														
Community Payback Order	£3,455,170	£3,360,751	£1,111,917	£1,128,494	£466,593	£469,880	£224,196	£227,131	£1,652,465	£1,535,246	£3,455,170	£3,360,751	£0	£0
Criminal Justice Social Work Report	£1,298,244	£1,370,627	£334,002	£373,050	£282,157	£288,546	£78,515	£87,711	£603,571	£641,319	£1,298,244	£1,370,627	£0	£0
Throughcare	£844,358	£969,678	£226,841	£401,662	£273,102	£130,164	£35,558	£66,932	£308,857	£370,920	£844,358	£969,678	£0	£0
Home Detention Curfew	£32,135	£34,346	£9,299	£10,666	£5,938	£6,364	£2,116	£1,742	£14,782	£15,573	£32,135	£34,346	£0	£0
Diversion	£76,661	£87,867	£30,176	£44,704	£5,403	£8,221	£3,289	£3,083	£37,783	£31,858	£76,661	£87,867	£0	£0
Bail	£199,019	£194,056	£120,946	£146,377	£40,049	£33,412	£0	£0	£28,023	£14,266	£199,019	£194,056	£0	£0
Court Services	£325,536	£336,449	£106,620	£126,699	£160,225	£162,630	£0	£0	£56,692	£47,120	£325,536	£336,449	£0	£0
DTTO	£902,348	£627,228	£0	£156,807	£0	£114,737	£487,749	£11,474	£414,599	£344,210	£902,348	£627,228	£0	£0
Total Core Services	£7,123,471	£6,981,002	£1,941,800	£2,388,460	£1,233,466	£1,193,955	£831,434	£398,073	£3,116,771	£3,000,514	£7,123,471	£6,981,002	£0	£0
Non Core														
Centrally Initiated Funding														
Arrest Referral	£49,200	£49,200		£34,440		£14,760	£49,200		£202,008		£49,200	£49,200	£0	£0
Constructs	£588,858	£588,858	£177,774	£177,774	£209,076	£209,076					£588,858	£588,858	£0	£0
CSOGP	£246,797	£246,797	£246,797	£246,797							£246,797	£246,797	£0	£0
Delivery of the National Training Programme	£60,000	£60,000	£60,000	£60,000							£60,000	£60,000	£0	£0
Fiscal Work Order	£37,500	£62,500				£10,752		£3,585	£37,500	£26,863	£37,500	£62,500	£0	£0
MAPPa	£134,227	£134,227			£134,227	£134,227					£134,227	£134,227	£0	£0
Turnaround Project	£1,100,000	£1,100,000	£1,100,000	£1,100,000							£1,100,000	£1,100,000	£0	£0
Total Centrally Initiated Funding	£2,216,582	£2,241,582												
Non-Centrally Initiated Funding														
	£777,910	£777,910	£346,155	£346,155	£117,394	£117,394	£75,023	£75,023	£239,338	£239,338	£777,910	£777,910	£0	£0
													£0	£0
													£0	£0
													£0	£0
													£0	£0
Total Non Core	£2,994,492	£3,019,492	£1,930,726	£1,986,466	£460,697	£486,209	£124,223	£78,008	£478,846	£468,209	£2,994,492	£3,019,492	£0	£0
Overall Total	£10,117,963	£10,000,494	£3,872,526	£4,374,926	£1,694,163	£1,680,164	£955,657	£476,680	£3,595,617	£3,468,723	£10,117,963	£10,000,494	£0	£0