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NHS Chief Executive  
Chief Officer of Integration Joint Board  
ADP Chair

Copies to:  
NHS Director of Finance  
IJB Chief Finance Officers  
Local Authority Chief Executive and Chief Financial Officers  
ADP Co-ordinators  
Third Sector Representative Bodies

5 November 2018

## **PROGRAMME FOR GOVERNMENT 2018-19: CHALLENGE FUND AND THE NATIONAL DEVELOPMENT PROJECT FUND**

1. I write to provide detail of the Challenge Fund and National Development Project Fund as detailed in my letter to you on 23 August 2018.
2. These funding streams have been developed from the £20 million investment through our 2017 Programme for Government (PfG) to support activities around seeking and supporting new innovative approaches, as well as responding to the needs of patients in a more joined up person centred way to tackle problem alcohol and drug use.
3. As you know £17 million of this has been provided to NHS Boards for distribution to and decision making by Integration Authorities (IAs) and Alcohol and Drug Partnerships (ADPs) through the Local Improvement Fund.

### **Challenge Fund**

4. The Corra Foundation have agreed to manage the two year Challenge Fund on behalf of the Scottish Government. We have allocated £2 million to this fund for 2018-19, which includes £750,000 for Homelessness/Housing First. We will be in touch with further information on Homelessness/Housing First as soon as possible.
5. The funding through the Challenge Fund will provide space to re-think the system (or parts of the system), test change and implement new ways of working. The aim is to help break down barriers for people when accessing services or getting the right support, and as a result achieve better and more sustainable positive changes in people's lives.
6. The Challenge Fund offers two opportunities to access funding:
  - Getting ready for change - which will enable local areas to help understand/improve blocks in their system.

- Support Change – to test ideas that are ready for implementation where mapping has already been undertaken and there is a strong understanding of systems and proposed changes.

7. This fund provides an opportunity for IAs/ADPs and their partners to bid for money to deliver long term system change and is now open. Annex A provides further information on the Challenge Fund and information on how to apply.

8. All outcomes from successful applications will be evaluated and learning will be shared with you.

### **National Development Project Fund**

9. This fund provides opportunities for joint approaches at both a national and local level in projects of national significance. We have allocated £1 million to this fund for 2018-19.

10. We anticipate bids will come from the third sector. All projects wishing to apply for funding through this route must align with the following priorities for 2018-19:

- Advocacy Services (2 year funding with an optional 1 year extension)
- Families: testing the role of family members (2 year funding with an optional 1 year extension)
- New approaches to recovery: new models (2 years only)

11. There will be two funding routes through this fund.

- Projects of national significance - We will be in touch with further information on these as soon as possible.
- Testing opportunities for joint approaches at both a national and local level, which have national significance – in the priorities detailed in paragraph 10 above.

12. Applications must have a minimum cost bid per financial year of £20,000 and a maximum of £75,000. If your organisation is successful in obtaining funding, it will be paid per financial year and must be spent within that financial year. Further information on this fund is available at Annex B.

13. This funding stream is also open and **applications are required by 6 December 2018.**

14. The application form to apply along with the requirements and guidance notes for this fund (detailed in Annex C) are available online at <https://www.gov.scot/publications/national-development-project-fund-form-and-guidance>

15. I would be grateful if you can share this letter with your local third sector colleagues and other relevant stakeholders.

16. If you have any queries, please contact Nick Smith at [Nicholas.smith@gov.scot](mailto:Nicholas.smith@gov.scot) or on 0131 244 5942 or Amanda Adams (from 20 November) at [Amanda.adams@gov.scot](mailto:Amanda.adams@gov.scot) or on 0131 244 2278.

**DANIEL KLEINBERG**

Deputy Director, Health Improvement Division  
Population Health Directorate

## PROGRAMME FOR GOVERNMENT 2018-19: CHALLENGE FUND AND THE NATIONAL DEVELOPMENT PROJECT FUND

### **Challenge Fund**

The Challenge Fund offers adaptive and flexible grant funding that will provide space to re-think the system (or parts of the system), test change and implement new ways of working.

The aim to help break down barriers for people when accessing services or getting the right support, and as a result achieve better and more sustainable positive changes in people's lives.

### **Criteria**

The challenge fund will aim to look specifically at the:

- Clinical pathways
- Stepped care (right support at the right time)
- Whole family approaches
- New approaches to alcohol related harm
- New early support that is tailored to changing patterns in young people's drug and alcohol use.

Priority will be given to proposals with a focus on clinical pathways around alcohol detox and opiate replacement. A secondary focus will be given to proposals on systems for mental health, homelessness or employability.

Applications will be accepted from IAs/ADPs and their partners. All applicants must be able to demonstrate collaborative and partnership working across all sectors in the proposal.

### **Further Information and How to Apply**

For information and how to apply contact Rowan Anderson on 0131 444 4020 or [rowan@corra.scot](mailto:rowan@corra.scot).

## PROGRAMME FOR GOVERNMENT 2018-19: CHALLENGE FUND AND THE NATIONAL DEVELOPMENT PROJECT FUND

### **National Development Project Fund**

The national development project fund provides opportunities at both a national and local level through projects of national significance. It allows us in 2018-19 to address gaps in:

- advocacy services (2 year funding with an optional 1 year extension)
- family inclusive services and support (2 year funding with an optional 1 year extension)
- start-up investment for new approaches to treatment, support and recovery (2 years only)

The application form to apply for funding is available on the Scottish Government internet at: <https://www.gov.scot/publications/national-development-project-fund-form-and-guidance>

You will also wish to familiarise yourself with The National Development Project Fund: Programme overview and the Guidance Notes for Applicants which are also available at the above link.

Applications must have a minimum cost bid per financial year of £20,000 and a maximum of £75,000 will be available per application.

All Applications will be reviewed by the Scottish Government and we will advise funding decisions as soon as possible/by 10 January 2019. Light touch feedback will be provided to any unsuccessful applicants on request.

Outcomes and evaluation from these projects will be shared with stakeholders.

## PROGRAMME FOR GOVERNMENT 2018-19: CHALLENGE FUND AND THE NATIONAL DEVELOPMENT PROJECT FUND

### NATIONAL DEVELOPMENT PROJECT FUND – REQUIREMENTS AND GUIDANCE NOTES

#### REQUIREMENTS

Individual and Consortium applications are equally welcomed, all partners must be detailed in the application. It is expected that applications will sit within at least one of the priorities to address gaps in:

- advocacy services (2 year funding with an optional 1 year extension)
- family inclusive services and support (2 year funding with an optional 1 year extension)
- start-up investment for new approaches to treatment, support and recovery (2 years only)

All applications should be discussed with local strategic planners/policy managers and the local Integrated Authority (IA)/Alcohol Drug Partnership (ADP). If the bid covers more than one ADP / IA then discussions would need to take place with the IA or ADP where the project is located.

Your project should be a new and innovative idea based on an identified need or demand in your locality which could have a national significance.

This funding **must not** be used to replace/or top up funding from another source or to supplement capacity for a service/project already underway.

Please fully complete sections 1 - 4 in the application form prior to the commencement of your project. You will be expected to submit an annual progress and evaluation report (section 5) of your project each year. The first report is expected by 30 April 2019.

#### Deadline for Applications

This will be an annual process. The closing dated for this round of applications is **6 December 2018**.

All applications received on the form in section B will be reviewed and applicants will be notified of success or otherwise as soon as possible/by 10 January 2019. Light touch feedback will be provided to any unsuccessful applicants on request.

#### GUIDANCE NOTES

#### APPLICATIONS, DEADLINE AND ACKNOWLEDGEMENT

All applications made through this form will be considered. Applications should be emailed to:

Amanda Adams at [Amanda.adams@gov.scot](mailto:Amanda.adams@gov.scot) by close of business on 6 December 2018. Applications will not be accepted beyond this date.

Applications will be acknowledged within 5 working days and we will aim to inform all applicants of the success or otherwise as soon as possible/by 10 January 2019.

## **ASSESSMENT AND SELECTION OF SUCCESSFUL APPLICATIONS**

There is £1 million available through the National Development Project Fund in 2018-19, this therefore restricts the number of National Projects and applications that can be approved.

All applications for funding will be assessed in the first instance against the following eligibility criteria:

- The proposed activity must align with the Scottish Governments priorities detailed on page 1 of this document.
- The lead organisation must have adequate management and financial controls
- The proposed project of national significance.
- Wherever possible, there should be no overlap or duplication with the activities of other organisations
- The quality of your expected outcomes/improvements and how these will be measured.
- Set up and implementation plans
- Support from the relevant Integrated Authority and Alcohol and Drug Partnership supportive of the application.
- A feasible proposal for managing (exit strategy) once funding through the National Development Project Fund ends.

Final decisions on approved applications will take account of the importance of current alcohol and drug priorities and any other factors which may be relevant at the time of considering the application.

## **FUNDING CONDITIONS**

When an application is successful the lead organisation is expected to agree to various conditions. Full details of the conditions that will apply will be included in the letter of success. These conditions will include the following:

- The need for the lead organisation to have proper financial systems in place.
- Arrangements for monitoring the organisations activities and the activities relating to this project, which includes setting up appropriate arrangements for measuring expected outcomes/improvements.
- There is a requirement to consult, as appropriate with the intended client group(s).
- In addition to annual reporting, successful applicants in *advocacy services* and *family inclusive services and support*, will be required to attend a joint quarterly meeting to

discuss and understand jointly, their progress in reaching key milestones and any learning.

### **FUNDING SLIPPAGE**

If your organisation is successful in obtaining funding, it will be paid per financial year and must be spent within that financial year. In the event that funding is not spent within the financial year, it will be recovered by the Scottish Government.

### **MONITORING OF ORGANISATION/PROJECT ACTIVITIES AND EVALUATION**

The Scottish Government expects that funding recipients will make a judgement about their own progress/success towards achieving the outcomes/improvements identified in the application form. This must be reported through *The Progress and Evaluation* section of the application form, which is required to be fully completed and submitted by 30 April for the previous financial year.

The Scottish Government will pay attention to the lead organisations delivery/performance progress against milestones identified in the application form. In addition the previous financial years audited accounts must also be provided.

### **SUCCESSFUL PROJECTS FOR ADVOCACY SERVICES**

Advocacy services for people with alcohol and drug problems are currently underdeveloped in Scotland. However advocacy forms a key element of a rights based approach to addressing alcohol and drug problems. Successful projects will be required to participate in a forthcoming national working group to support the development of advocacy services across the country. This will involve attendance at quarterly meetings and participation in key activities which will result in the development of national good practice around the delivery of advocacy services for this group of people and their family members.

### **SUCCESSFUL PROJECTS FOR FAMILY INCLUSIVE SERVICES AND SUPPORT**

Drug and alcohol treatment services should offer family inclusive approaches. This means that family members should be involved in their loved ones treatment where this is appropriate. Alongside this family members will require support in their own right.

In recent times delivering these interventions has proved challenging for services given the financial climate and delivery approaches needed. However this additional investment will enable an action learning approach to developing nationwide approaches. Successful projects will be required to be involved in a national working group to develop good practice in terms of family inclusive practice and effective local implementation.

This information will form a major part of funding awards for successive years (where appropriate) up to 2020-21.

### **FREEDOM OF INFORMATION (SCOTLAND) ACT 2002**

In accordance with the Freedom of Information (Scotland) Act 2002 that came into force on 1 January 2005, the Scottish Government may be required to make any application for grant funding available for public scrutiny. In submitting an application, please let us know if there are any elements of it which would prejudice substantially your commercial or other interests

if they are made public. Please note there may nevertheless be a public interest in publishing material submitted.

### **FURTHER HELP**

If you would like further help with your application, or if you have any questions about the application process, please contact Nick Smith at [Nicholas.smith@gov.scot](mailto:Nicholas.smith@gov.scot) or on 0131 244 5942 or Amanda Adams (from 20 November) at [Amanda.adams@gov.scot](mailto:Amanda.adams@gov.scot) or on 0131 244 2278.