

REPORT TO: LSP BOARD
DATE: 26 FEBRUARY 2009



SUBJECT: LOCAL AREA AGREEMENT REWARD GRANT

AUTHOR: LSP MANAGER

1.0 PURPOSE

- 1.1 To apprise LSP Board members of the latest position with reference to the allocation of Local Area Agreement Reward Grant, and to suggest a mechanism for allocating resources in light of the funding shortfall.

2.0 RECOMMENDATIONS

2.1 That LSP Board members:

- (i) Note the letter from the Essex Partnership confirming the allocation of funds and the conditions of funding acceptance (see appendix 1)
- (ii) Agree to establish an LAA Officer Working Group to manage performance on the selected schemes in line with the responsibilities set out in the funding letter
- (iii) Agree a method for managing the budget shortfall, either
 - (a) Passing on the shortfall as a straight % top slice of all projects
 - or
 - (b) Apportioning the cut purely to larger projects

3.0 BACKGROUND

- 3.1 The LSP has identified several projects, designed to support the attainment of LAA targets, to go forward from the Epping Forest area as bids requesting support from the award grant fund set up by the Essex Partnership.
- 3.2 The Essex Partnership has now confirmed that the bids from Epping Forest have been successful and an allocation of £453,855 has been made to support the schemes the Board has endorsed (see appendix 1). The allocation, however, does not cover all of the funds requested, a total shortfall of £44,059 or 8.9%, exists over the lifecycle of the programme (up to end of March 2011). In addition the Essex Partnership has not indicated which schemes should receive less support, and has left this decision to the LSP Board. The Board therefore needs to address the management of this shortfall in order for schemes to proceed.
- 3.3 The Allocation letter also states that following confirmation from the Communities and Local Government Department, Essex County Council will be able to make the first payment of PRG to each Partnership in April. The letter

also sets out the Board's responsibilities for ensuring that the schemes deliver, and are effectively managed, and indicates further advice and guidance on allocation of resources will be forthcoming.

4.0 TAKING THE PROGRAMME FORWARD

- 4.1 In order for the Epping Forest schemes to proceed effectively a number of key actions are therefore required.
- 4.2 It is requested that the Board decides the final allocation of the bloc grant, and the preferred mechanism for managing the shortfall at this meeting so that project leads can move forward with certainty over their funding arrangements. The simplest, and on the face of it, fairest method of managing the shortfall is to suggest that each scheme receives their requested amount minus a % 'top slice' reflecting the overall budget shortfall, in effect an 8.9% reduction across the board. Appendix 2 sets out the impact on each project of an 8.9% reduction.
- 4.3 However, concern has been raised that this might well have a disproportionate impact on those schemes which have the smallest allocation of grant. It has been suggested that these smaller schemes might have little flexibility to effectively respond to the shortfall, therefore putting at risk their ability to deliver. Currently projects included in the Epping Forest programme range from £20,000 to £150,000, with two single projects accounting for over half the total allocation. In response to this concern the Board may wish to target the total £44,000 reduction to these two schemes, reducing their overall budget from £250,000 to £206,000. This again, however, may have a significant impact on the ability of these schemes to deliver. Given both methods of allocation are to a greater or lesser degree problematic, the Board may wish to suggest a more appropriate method.
- 4.4 There is clearly an expectation that the LSP Board will be acting as the responsible body for the administration of the grant and the effective delivery of the schemes it has supported. In order that this responsibility is effectively discharged it is proposed that a working group of lead officers is formed chaired by the LSP Manager. This will provide a forum to deal with any emerging issues and problems in a co-ordinated way, and ensure effective performance management data is produced for oversight by the LSP Board.

5.0 CONCLUSION

- 5.1 The success of the bids for funding supported by the Board means that significant additional funds have been brought into Epping Forest to help support priority programmes and directly benefit some of the most vulnerable people in our community. The programme will however require good multi-agency working and effective management to enable all the supported programmes to achieve their full potential and enable the Board to demonstrate this achievement to the funding body.

APPENDIX 2

FINANCIAL BREAKDOWN 8.9% TOP SLICE

Bid Reference

	Requested	-8.9%	Final Budget
EPP3	£20,000	£1,780	£18,220
EPP5	£49,844	£4,436	£45,408
EPP8	£39,950	£3,555	£36,395
EPP9	£100,000	£8,900	£91,100
EPP10	£50,000	£4,450	£45,550
EPP11	£150,000	£13,350	£136,650
EPP14	£53,120	£4,727	£48,393
EPP15	£35,000	£3115	£31,885

Total Bid for: £497,914

Received: £453,855

Gap: £44,059