

**OXFORDSHIRE PUBLIC SERVICE BOARD
21 NOVEMBER 2007**

Local Area Agreement Finance

A paper on Local Area Agreement finance was discussed at the last meeting in September 2007 and a number of actions were agreed. This report follows up those actions and presents further proposals for the board to consider. The actions from the previous meeting are set out in the report.

1 Pump Priming Grant

Actions agreed at the last meeting

- *that there should be more detailed monitoring and accountability on the use of Pump Priming Grant from 2007/08 onwards.*
- *that where there had been significant under-spending in 2006/07, the relevant block leads should provide revised spending profiles for the remaining 2 years. The PSB might then judge whether the initial allocations were fully required and whether the under-spends should be the subject of bids from other target areas.*

Allocations and Spend

1. Since the last meeting of the PSB the lead managers for each target area have been asked to re-examine both the reported spend for 06/07 and the planned use and phasing of the original allocations. As a result there have been some revisions to the figures reported to the PSB in September. The revised table is attached (see Annex A), which also includes, in the Comments column, descriptions of the planned use of the PPG allocation and, where applicable, some explanations of the low or lack of spend in 06/07.
2. To summarise:
 - There were 6 target areas (out of a total of 14) that had significant underspends in 06/07 (5 of these with zero spend) – see “Reported spend in 06/07” column and explanations in the “Comments” column
 - Changes to the original bid proposals for use of allocations have been reported in the case of 5 target areas – ie. Ref No’s 2.1, 4.1, 6, 7, 9 – see “Comments” column
 - All allocations are still planned to be spent, but phasing has been modified in the case of Target Ref No’s 6, 7 and 12 – see “Profile for final 2 years” column.

Proposals

3. The PSB are asked to consider confirming the total allocations for each target area and, where relevant, the revised use or rephasing proposed.
4. It is proposed that in future the PSB should receive reports on forecast spending at 6-monthly intervals, i.e. normally September and March. The first of these will now need to be presented to the next PSB in February.

2 Performance Reward Grant

Actions from the last PSB meeting

- *that proposals for the process to allocate the 50% reward grant not being allocated directly to blocks should be brought to the next meeting of the PSB.*
- *Performance data be kept under review to ensure there was an adequate “audit trail”.*

The Public Service Board agreed in 2006 that 50% of any performance reward grant earned from LAA stretch targets will be allocated by the Public Service Board to partners involved in target delivery.

Proposals

5. It is proposed that a bidding system be set up using the following criteria:

Bids will need to demonstrate:

- how the proposed activity/project meets objectives in the Sustainable Community Strategy and Local Area Agreement (LAA2) at county and/or district level
- how the proposed activity/project delivers improved outcomes for either a specific community in a locality or a range of communities across the county.
- how the outcomes will be delivered through working in partnership rather than by an individual organisation working alone
- a costed business case for delivering the outcomes – including why additional resources are needed to do so. It is anticipated that projects will be delivered in a twelve month timeframe but consideration will be given to those that demand a longer timescale for delivery.

6. The Public Service Board will wish to discuss and agree:

- The governance arrangements for collective decision making
- whether a ceiling for bids is desirable
- the timeframe for bids to be made i.e. all funding to be allocated in the first year or longer.
- An approved application process.

7. Please note that any reward grant will be paid to the Oxfordshire Partnership (via the County Council as the accountable body) in two equal instalments in the two years following the end of the agreement (2009/10 and 2010/11) and is expected to be 50% Revenue and 50% Capital.

3 Area Based Grant (pooled funding)

Action agreed at the last meeting:

- *to adopt the principle that pooled funding should be used more flexibly in the future to promote the aims of the Community Strategy and the LAA.*
- *to encourage the block groups to make recommendations to the PSB on revisions to the current allocation of funding following receipt of government guidance and agreement of priorities for the next LAA.*

- *to request county council officers to provide further information and draft options and proposals for consideration by the PSB when the government guidance was published.*
8. The Comprehensive Spending Review proposed a list of grants to be pooled in the new Area Based Grant (ABG). The final list is expected with the financial settlement in November.
 9. Initial analysis shows over £20m in ABG for funding streams where the county council was the previous recipient (based on 2007/08 allocations and detailed at Annex B). However this does not take account any of the funding streams in the list that partners currently receive (except those in the Pooled Funding this year – see Notes to Annex B). It is important to establish the scale of these as soon as possible.
 10. The ABG is designed to allow partnerships greater flexibility so they can allocate resources to priority areas of work as identified in the Sustainable Community Strategy/ Local Area Agreement. There is concern amongst those who received these grants in the past that these activities will no longer be supported. It is important to develop processes and governance for allocating this grant.

Proposals

11. Partner organisations are asked to provide to the County Council details of grants in the ABG grant list which they receive so an overview can be prepared for all partners,
12. That 2008/09 should be considered as a transitional year working towards a priority-based allocation of ABG as soon as possible. Specific proposals for 2008/09 are:
 - Area Based Grant funds are passported to previous recipients in most cases but partnerships are encouraged to start pooling funds where possible.
 - In those areas where greater pooling of resources is possible, thematic partnerships should work up proposals based on 2007/08 allocations of funding. Proposals should cover funding streams that the partnership is currently responsible for. Final allocations for ABG funding streams are expected towards the end for the year, proposals should therefore consider what they would do if the Government cuts funding available.
 - Thematic partnerships are asked to present proposals for pooled budgets to the PSB at the January meeting.
 - A working group be convened to look at the governance arrangements required and to develop proposals for allocating pooled funding in the longer term.

Governance

Action agreed at the last meeting

- *that an agreement should be developed between the partners on the PSB to define and share risk and opportunity and join-up auditing and financial reporting processes where practicable*
13. Through the LAA government is gradually removing some of the burdens of reporting. However in order to fulfil its role as the accountable body the county council will require assurances from partners who are receiving LAA funds.

14. In September the PSB agreed the recommendation *“that an agreement should be developed between the partners on the PSB to define and share risk and opportunity and join-up auditing and financial reporting processes where practicable”* and asked for proposals to be brought to a future meeting.

Proposal

15. It is proposed that a cross-public sector working group is convened to look at the requirements for monitoring finance, risk, performance and data sharing through the LAA. The group may include representatives from the lead delivery organisations in the LAA and the voluntary and community sector. The key principle that should govern the group is that requirements should not be excessively burdensome and should fit as much as possible with existing systems. Proposals should be taken to the March PSB meeting in order to have them in place when LAA2 delivery begins.

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ANNEX A

Pump Priming Grant 2006/07

Target Ref No.	Target detail	Allocations 06/07	Reported spend in 06/07	Carried Forward	Profile for final 2 years		Total Original Allocation	COMMENTS
					07/08	08/09		
		£000	£000	£000	£000	£000	£000	
1	720 additional adults achieve NVQ level 1 or higher (or equivalent by August 2009)	65	0.0	65.0	65	80	210	Majority of allocation to be used to cover costs of Area Programme (including costs of AP Manager) after SEEDA funding stops in March 08, up until August 09; some spend planned in 07/08 totalling £87k
2.1	1. 51.2% 5 GCSEs A*-C (inc English & Maths)	60	60.0	0.0	80	0	140	£60k was allocated to schools (3 x £2k each) as part of the "2+3 Project"; anticipated this will be used in a similarly in 07/08
2.2/3	2. 65% of children leaving care achieving 1 GCSE A*-G (or equiv) 3. 70% of children in care achieving 5 GCSEs A*-G	30	0.0	30.0	20	20	70	Delays in implementing appointment of additional learning mentors due to manager on long-term sickness; several now in place and costs being incurred in 07/08
					Total 2.1+ 2.2/3		210	
3	1. Number of new entrants to the criminal justice system aged 10-17 (50% PRG) 2. Rate of reconviction of young offenders aged 10-17	36	35.0	1.0	36	36	108	Being used by YOS for various diversionary activities

4.1	1. Increase in the number of incidents of domestic violence reported annually to the police (80%PRG)	24.8	24.8	0.0	26	27.3	78.1	Change from original bid - not being used to fund a Detection Manager, but allocated to "Reducing the Risk" charity and for independent DV advisor
4.2	2. Increase in the number of incidents of domestic violence which result in sanction detections (20%PRG)	19.6	19.6	0.0	11	7	37.6	As planned, being used for training and development of DV "champions" network
5	Reduce the rate of reoffending by adult and juvenile PPOs by an additional 18% (ie above anticipated 11%)	29.5	34.7	-5.2	30.4	31.4	91.3	As planned, being used to fund extra Probation Service resource
					Total 3 + 4 + 5		315	
6	Increase the amount of non-biodegradable household waste recycled by 4,875 tonnes	28.75	0.0	28.8	15.25	34.75	78.75	Assumed to be funding various OWP initiatives - no detail as yet
7	1. Reduce the proportion of relevant land and highways assessed as having combined deposits of litter and detritus falling below an acceptable standard by 9% (1% additional) (BVPI 199a) 2. % of people satisfied with cleanliness standards increased to 69.58% (BVPI 89)	70	31.8	38.2	7.8	27.2	105	Assumed to be funding various OWP initiatives - no detail as yet
8	Reduce the number of falls by an additional 20% per annum for 3 years (from a total of 8000 pa. to 3200 pa., ie. 1600 reduction pa.)	35	35.0	0.0	35	35	105	Allocation for 06/07 passed to PCT to fund an additional falls specialist. Recruitment problems, but any savings needed for admin support.
9	Increase the number of people receiving intensive home care support to 1150 (ie 230 more than expected)	35	35.0	0.0	35	35	105	Being used largely as planned - £25k for one member of staff to deliver transition support; £10k for independent sector support for quality assurance

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12	Deliver 256 affordable homes between 2006/7 and 2008/9 of which 70% will be social rented and 30% low cost home ownership	11	12.2	-1.2	80	40.25	131.25	As planned - project manager and support costs
13.1	Corporate performance monitoring system	25	0.0	25.0	40	10	75	Implementation delayed until at least 07/08
13.2	Children & Young People's Plan	30	0.0	30.0			30	??
Totals		499.650	288.218	211.432	481.48	383.87	1,365.000	

ANNEX B**Area Based Grant****CSR07: Grants to be delivered via Revenue Support Grant (previously LAA pooled)**

Access and Systems Capacity
 Delayed Discharges
 Children's Services
 Waste Performance and Efficiency

CSR07: Grants to be delivered via Area Based Grant

A comprehensive list will be published at the time of the provisional local government finance settlement. However, Area Based Grant will include, as a minimum, the following grants. In addition, CLG aim to include Supporting People programme grant from 2009/10, dependent on pilots in 2008/09 not raising serious concerns, and DCSF aim to include Contact Point (formerly Sharing IS Index) from 2010/11.

Grant	Gov't dept	07/08 £000
14-19 Flexible Funding Pot	DSCF	276
Adult Social Care Workforce (formerly HRDS and NTS)	DH	
Aggregates Levy Sustainability Fund	Defra	
Care Matters White Paper	DCSF	
Carers	DH	1,378
Child and Adolescent Mental Health Service	DH	663
Children's Social Care Workforce (formerly HRDS and NTS)	DCSF	
Children's Fund	DCSF	869
Choice Advisers	DCSF	35
Cohesion	CLG	
Connexions	DCSF	4,914
Crime Reduction, Drugs Strategy and Anti Social Behaviour	HO	Note 1
Detrunking	DfT	1,621
Education Health Partnerships	DCSF	120
Extended Rights to Free Transport	DCSF	54
Extended Schools Start Up Costs	DCSF	705
Local Enterprise Growth Initiative	CLG	
Local Involvement Networks	DH	
Mental Capacity Act and Independent Mental Capacity Advocate Service	DH	137
Mental Health	DH	1,316
Positive Activities for Young People	DCSF	178

Grant	Gov't dept	07/08 £000
Preserved Rights	DH	3,003
Secondary National Strategy – Behaviour and Attendance	DCSF	183
Secondary National Strategy – Central Coordination	DCSF	297
Preventing Extremism (Note 2)	CLG	50
Primary National Strategy – Central Coordination	DCSF	310
Respect (Note 2)	HO	75
Road Safety Grant	DfT	139
Rural Bus Subsidy	DfT	1,553
School Development Grant (Local Authority element)	DCSF	1,835
School Improvement Partners	DCSF	203
School Intervention Grant	DCSF	189
School Travel Advisers	DCSF	92
Sea Fisheries Committee	Defra	
Stronger Safer Communities Fund	CLG	Note 1
Supporting People Administration	CLG	427
Sustainable Travel General Duty	DCSF	
Teenage Pregnancy	DCSF	160
Working Neighbourhoods Fund (replaces Neighbourhood Renewal Fund)	CLG	
Total		20,782

Notes

1. Combined figure of £853k allocated to DC's and PCT (including £201k capital)
2. Other known allocations to Oxford City (via pooled funding in 07/08)