

Oxfordshire Public Service Board Briefing Paper: Local Area Agreement Finance UPDATE

December 2007

1 Actions from previous meeting

Actions agreed by the PSB	Progress
<u>LAA1 : Pump Priming Grants</u> PSB to monitor the use of LAA1 Pump Priming grants.	It is proposed that the report comes to the meeting on 5 February. The report to include revised spending profiles for the next 2 years. The PSB can then decide whether and adjustments are appropriate allocations.
<u>Performance Reward Grant</u> PSB agreed that there should be a process to allocate the 50% top slice of performance reward grant payable from 2009/10	See 2. Performance Reward Grant
<u>Area Based Grant</u> To update the PSB on the detail of Area Based Grant as it becomes available.	See 3. Area Based Grant

2 Performance Reward Grant – allocation proposal

The Performance Reward Grant (PRG) is a financial reward for meeting an LAA “stretch” target. The Public Service Board has already agreed that 50% of any reward shall go to the LAA “block” responsible for meeting the target and that the remaining 50% will be allocated by the PSB.

The authorities responsible for the deliver of LAA targets and who have a duty to co-operate in LAAs are members of the Public Service Board. The Public Service Board is therefore the body which shall make decisions about allocation of reward grant.

It is anticipated that reward monies shall be paid by the Government to the County Council (as the accountable body) on behalf of the PSB in two equal instalments in the two years following the end of the agreement (2009-10 and 2010-11). This is expected to be 50% Revenue and 50% Capital.

Allocation proposals may be put forward to the PSB by any PSB partner organisations. In making a proposal the applicant will need to demonstrate to the PSB how the proposed activity supports objectives in the Sustainable Community Strategy and Local Area Agreement (LAA2) at county and/or district level. Or, more specifically, whether the activity enables an LAA2 target to progress – for example by providing pump priming for the new activity required to achieve improved performance.

In doing so the applicant will also need to demonstrate:

- how the proposed activity will improve outcomes for either a specific community in a locality or a range of communities across the county.
- Or, how the proposed activity might strengthen the infrastructure / organisations required to deliver on this outcome – for example: by supporting the voluntary and community sector.
- how outcomes will be achieved through working in partnership rather than by an individual organisation working alone
- In all cases a costed business case will be required including why these additional resources are required to meet the aims of the proposal.

It is anticipated that projects would be delivered in a twelve month timeframe but consideration would be given to those demanding a longer timescale for delivery.

The proposed timetable is as follows :

- Proposals submitted between March and May 2008 when LAA2 targets and the sustainable community strategy is agreed
- Proposals are considered at the PSB meeting on 11 June 2008.

3 Area Based Grant

The list of grants that will be pooled into the new Area Based Grant (ABG) is available at

<http://www.oxfordshirepartnership.org.uk/wps/wcm/connect/OxfordshirePartnership/Local+Area+Agreement/New+LAA++2008-11/OP++LAA2++ABG>

The current list totals about £25M for 2008/09. The majority are amounts from grants that previously came direct to the County Council. The ABG will include the Supporting People grant (about £17M) from the following financial year (2009/2010).

It is important to note that:

- The Comprehensive Spending Review has “front-loaded” the settlement for local government. Increases in subsequent years are unlikely to keep pace with inflation.
- The PSB has already adopted the principle that the first year, 2008/09, is a transitional year and the intention is to passport monies to where they are currently being managed, or, to partnerships who are already pooling resources, or to partnerships who are able to do so.
- The governance of the PSB shall be reviewed in 2008 to ensure that all partners who have a duty to co-operate in LAAs have the decision making mechanisms they need to manage ABG allocations.
- There is no pump priming grant attached to LAA2. Targets will need to be self funded at least until the second year when pooled funding may be available to support delivery of targets.

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Oxfordshire County Council. 19 December 2007.