

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting24th April 2008

1. Title of Item/Report

The Role of Stockton Renaissance Post Neighbourhood Renewal Funding and Governance Arrangements for Working Neighbourhoods Fund

2. Record of the Decision

Cabinet considered a report that examined the impact on Local Strategic Partnerships of changes in the national and local context, exploring the role of Stockton Renaissance post Neighbourhood Renewal Funding and opportunities offered by the government's introduction of the Area Based Grant.

Members noted that the government's Comprehensive Spending Review introduced a new non-ring-fenced 'Area Based Grant' or ABG. The ABG contained a range of grants including a 'Working Neighbourhoods Fund' which had been seen as the successor to neighbourhood renewal funding. The inclusion of this grant within the ABG made it different to NRF in two important ways-

 The grant was allocated to the Council and not the LSP.
 It was non-fenced and therefore could be spent on a range of priority areas not just worklessness.

Though the Council had flexibility in what it choose to spend the WNF element of the ABG on there was a rational expectation that the fund would be spent on worklessness issues. The Council and Stockton Renaissance has also identified worklessness and employability as key priorities in its new sustainable community strategy and in the emerging Local Area Agreement. The council was therefore keen to use the fund to tackle these issues and to empower Stockton Renaissance in deciding how this element of the council's ABG was spent.

There were several issues which needed to be resolved in order to move forward:

 The role of the LSP post NRF, including the role of the

thematic and area partnerships

• Finalisation of transitional arrangements for NRF funded schemes

• The allocation of funding from the ABG to a fund to tackle worklessness for 2008/09, 2009/10, 2010/11 including any transitional arrangements for Deprived Area Funds (this fund is included in the ABG from 2009)

• Governance arrangements for commissioning programmes to address the employability/worklessness agenda

Members noted that the Government's published Sub National Review of Economic Development and Regeneration made it clear that developing the economic base of deprived areas required a holistic approach which brought together action at various governance levels - national, regional, sub regional and local. Local strategic partnerships could play a key role in this, bringing together a range of partners to help co-ordinate action on worklessness and enterprise growth including the agreement of relevant targets in LAAs. As the engagement of all partners in the LSP would be important in achieving the regeneration of communities it was proposed to build on the previous arrangements at Stockton by requesting Council to allocate the available funding from the ABG through 2008-2011 into a Communities Fund for the LSP to develop a programme of projects to support this agenda. The LSP would then be responsible for monitoring the projects and reporting performance to the Council through Cabinet. Allocating the funding over three years would allow the LSP the opportunity to offer longer term commissioning opportunities for the voluntary and community sector.

This would support work looking towards the Comprehensive Area Assessment which would focus on outcomes for local people across councils, health bodies, police forces and others responsible for local public services, which were increasingly expected to work in partnership to tackle the challenges facing their communities.

The changes in the way that the ABG money was allocated meant that the Council would need to consider the implications for governance arrangements, including any necessary changes to the Council's Constitution and Scheme of Delegation and Stockton Renaissance's Terms of Reference. An amended draft terms of reference for Stockton Renaissance Partnership was provided to Members.

In Stockton a proportion of the NRF was ring-fenced in 2006/07 and 2007/08 specifically for the community led Area Partnerships to allocate,

who were tasked to prioritise issues within their areas with reference to the relevant Local Action Plans, Neighbourhood Renewal Floor Targets and community views. The following funding allocations were then given to each of the Area Partnerships for allocation to commissioned projects-

1. Central Area Partnership Board £87,444 p.a.
2. Eastern Area Partnership Board £43,950 p.a.
3. Northern Area Partnership Board £18,606 p.a.

These allocations were calculated according to the Super Output areas based on a total allocation of £150k per annum for the Area Partnerships. This was then split according to the population that the super output areas represented.

To further support and continue to build on the success of this area of work, which involved devolving budgets to local communities, consideration could be given to allowing the Area Partnerships to address their Employment and Worklessness local priorities by allocating a sum of money as previously to commission schemes in their neighbourhoods. It was therefore proposed that, based upon the *formula below, the area partnerships receive in total an indicative allocation of £150,000 in 2008/9 with a further allocation of £153,749 in 2009/10 and £157,592 in 2010/11 with the allocation being targeted at addressing their Employability priorities. This would allow the following allocations-

Central Area £89,158(08/09),£91,387 (09/10), £93,671 (10/11)
Eastern Area £37,182(08/09), £38,112 (09/10),£39,065 (10/11)
Northern Area £23,660 (08/09) £24,250 (09/10) £24,856 (10/11)

Members noted the allocations were worked out on the basis of £150k per annum divided by the total population of the eligible lower super output areas based on the IMD 2007 out of work benefit claims of over 25% across the three areas – then multiplied by the number of people in each of the Area Partnership areas. The allocation has then been increased by 2.5% for each year.

Whilst it was considered important to retain a focus on the most deprived super output areas the non ring-fenced nature of the Area Based Funding

meant that there can be a focus on the person rather than the place so there was the opportunity to also provide support for those unemployed people who were previously excluded by the ring-fenced NR geographical criteria i.e. Including those within the Western Area Partnership area. A sum of £18,000 is proposed for the Western Area Partnership in 2008/09, rising to £18,450 on 2009/10 and £18,911 in 2010/11

After the NRF projects transitional year associated costs and area partnership allocations were deducted the following amounts would be available from the ABG to go into a Communities Fund to support

	Communities Fund2008/9	2009/10	2010/11
WNF allocation	£3,924,957	£4,698,048	£4,887,710
NRF transitional year	- 2,774,725*		
Total available	£1,150,232	£4,698,048	£4,887,710
Area Partnership allocations		£168,000	£172,199
Total remaining	£982,232**	£4,525,849**	£4,711,207**

*This figure may decrease slightly as thematic partnerships finalise the list of successful NRF transitional projects.

• **Discussions were underway with finance to assess the opportunities for flexible profiling/re-profiling of the spend against the fund.

It was proposed to allocate a small amount of the Communities Fund at this stage to create a new “worklessness co-ordinator” post within the Council to coordinate activity between all Partners and projects. This post would work at an operational level to enable effective cross-cutting project delivery that fully supported the achievement of Local Area Agreement targets. A budget of £50,000 per year in total would be required for a salary with on-costs and including a small amount of support funding.

Members noted that with regard to the thematic partnerships it was proposed that the Economic Regeneration and Transportation Partnership (ERTP) should work with the Employability Consortium to develop a criteria for allocating the available Communities Fund which would support delivery of the Local Area Agreement employability related targets, cross local authority boundary initiatives such as the Multiple Area Agreement and build upon the Local Enterprise Growth Initiative joint work with Middlesbrough. This approach would maximise the opportunity for any associated reward grant. The criteria would also provide a framework and guidance for the area partnerships in the commissioning of interventions from their allocated funds.

A commissioning process would then be run against the criteria and thematic leads/thematic partnerships (timescales allowing) would be asked to comment on and support the proposed projects to highlight any opportunities for linkages and to avoid any possible duplication of service. Thematic partnerships would have a role in monitoring any subsequently approved cross cutting projects that fell within their theme. The ERTTP would then recommend a programme of interventions to the LSP who would recommend it to Cabinet for approval. Monitoring reports would be submitted to the ERTTP, LSP and Cabinet every six months.

The proposals would necessitate amendment to the council constitution and scheme of delegation to reflect the new arrangements. In terms of the officer delegation this was likely to include authority for the relevant Corporate Director/Assistant Chief Executive in consultation with the relevant Cabinet Member and the Director of Law and Democracy as appropriate to –

• enter into any contractual arrangements to support the delivery of the approved delivery plan/programme of projects authorise payment and monitor delivery against the above contracts in accordance with the delivery plan

• authorise changes to the delivery plan/programme for projects within determined limits

• implement projects which use the Communities Fund and other similar regeneration programmes delegated to Renaissance and its boards for decision.

Cabinet was provided with a table that set out the proposed roles with regard to that element of the ABG that the Council decided to allocate to a Communities Fund.

It was explained that the late announcement of deprivation related funding as part of the Comprehensive Spending Review had meant that there had been little time to develop exit strategies for the 68 crime, children and young people, housing, health and employability schemes delivered through NRF within the borough, approximately half of which was delivered by the Voluntary and Community Sector (VCS). Similarly there had been little time to develop, agree and implement new arrangements for the non-ring-fenced Working Neighbourhoods Fund (WNF) within the new Area Based Grant.

Members were reminded that through its budget setting process the Council had agreed a transitional year, which allowed the change from NRF schemes to a worklessness programme to be managed without having a significant detrimental effect on those involved, particularly the

VCS. Where schemes had been evaluated as successful and no “mainstream” funding could be found for 2008/09, schemes would be able to continue during 2008/09, funded from the Council’s Area Based Grant (ABG). Some of the thematic partnerships were still going through the final stages of agreeing those projects which would continue, however it was anticipated that the cost of the projects would be £2,774,725 or below. Over 71% of the health package projects were going to the Primary Care Trust in late March with a recommendation that they be funded by the PCT from 2008/9 which would mean that 85% (which includes a couple of projects that will be part of the NRF transitional arrangements) of the health package in total would continue.

Cabinet noted that during 2008/09, alternative funding would be sought by the delivering organisations to mainstream / extend the transitional projects where they were deemed to continue to provide value to the borough. Where schemes related to worklessness they might be able to attract further funding from the element of the Area Based Grant that the council would allocate to the ‘Communities Fund’. Where alternative funding for projects was not secured, projects would finish at the end of March 2009.

It was considered that the above proposed approach would build upon the previous successful partnership arrangements in the Borough and strengthen both the LSP and community role in working together to deliver the employability agenda.

RECOMMENDED to Council that :-

1. a “Communities fund” from the Area Based Grant, as outlined in the paragraphs 11 to 18 of the report considered by Cabinet, be created
2. the governance arrangements for the Communities Fund, as outlined in paragraph 24 of the report considered by Cabinet, be agreed in principle subject to consultation with Stockton Renaissance.
3. the final transitional arrangements for the projects, which were previously funded by the Neighbourhood Renewal Programme, be agreed subject to consultation with Stockton Renaissance.
4. the Director of Law and Democracy be authorised to make the necessary amendments to the Council’s constitution and scheme of delegation.
5. £50,000 per year be pre-allocated and authority delegated to the Head of Regeneration & Economic Development for the recruitment and appointment of a “worklessness co-ordinator”.

3. Reasons for the Decision
4. Alternative Options Considered and Rejected
5. Declared (Cabinet Member) Conflicts of Interest
6. Details of any Dispensations
7. Date and Time by which Call In must be executed

Proper Officer
05 June 2008