

Brighton & Hove City Council

For general release

Meeting: Finance Sub-Committee
Date: 21 September 2007
Report of: Director of Environment
Subject: Future of initiative Funding Streams
Ward(s) affected: ALL

1. Purpose of the report

- 1.1 To inform the Finance Sub-Committee of actions that are underway to address issues and mitigate the impact of the expected ending of a number of significant initiative funding streams, currently allocated to the city via the Local Area Agreement (LAA).

2. Recommendations

- 2.1 That the Sub-Committee note the possible implications of the ending of various initiative funding streams as set out in the report.
- 2.2 That the Sub-Committee endorse the actions underway to minimise the impact of changes in funding provision.

3. Information/background

- 3.1 From information the Council has to date, March 2008 sees the ending of a number of significant national funding streams. This will be the case for all Local Authorities receiving these particular types of funding. A number of other targeted grant funded projects are also nearing their conclusion eg New Deal for Communities funding (eb4U).
- 3.2 These funding streams currently support a number of community development and regeneration projects and also provide the funding resource for a number of services across the city. Brighton & Hove's success in attracting this funding has had a positive impact on a range of outcomes for people in the city, often in deprived areas.

- 3.3 The ending of funding streams is not unusual and can be planned for, for example through investing in short term projects and employing staff on short term contracts. In many cases successful projects can be incorporated into mainstream funding. Sometimes when one funding stream comes to an end, it is replaced by something slightly different but which still is aimed at tackling broadly similar issues. The criteria for distribution may also change and as a result Brighton & Hove may be eligible for higher or lower amounts. Each year as part of the budget setting process we will make assumptions about levels of specific grant funding based on the best information we have available. This year there is more uncertainty than normal however.
- 3.4 Most central government departments are currently unable to announce the levels and types of new grant funding streams as they are awaiting the results of the Comprehensive Spending Review 2007 (CSR07). The results of CSR07 are due in October and many grant funding streams are expected to be announced in the subsequent weeks. The Department for Children, Schools and Families (DCSF) has already pre-announced a number of grants for 2008/09 and beyond in advance of CSR07 and therefore this is a greater degree of certainty about the funding available for services provided by the Children & Young People's Trust. There is less certainty about funding streams from the Home Office and Department for Communities and Local Government (CLG) who are expected to have tighter CSR07 settlements than DCSF.
- 3.5 Many of the "at risk" grant funding streams are given to the council via the Local Area Agreement (LAA). This is a device that currently links grant provision to local priorities and performance outcomes and also provides some flexibility in how those grants are used. The list of grants forming the current LAA is shown at Appendix 2 alongside their relevant government department. Not all of these are seen as being "at risk" from CSR07 although it is certain that Neighbourhood Renewal Funding (NRF) will cease. There is some added complexity in predicting levels of grant funding for 2008/09 and beyond as in addition to CSR07 we will be negotiating a new LAA with Government Office for the South East (GOSE). The timetable for this means that new targets will not be signed off until July 2008 although recently the government has committed to providing interim funding from April to July 2008 although on what basis is not clear.
- 3.6 Officers have been looking at measures to anticipate and mitigate the potential impact of changes in funding provision. This work has been linked to a new requirement of the Local Government Bill under which the City Council will have a duty to develop a new style LAA.

3.7 The new LAA funding proposals set out in the White Paper are a significant departure from the current arrangements. The Comprehensive Spending Review will provide information about what resources will be available to the authority and the government's priorities for those resources. It is expected that most area based funding streams will be combined into a single, undifferentiated LAA Grant. This means that any grants that Brighton & Hove is eligible to receive will be provided in a single funding pot and the City Council with its partners will need to decide how it will allocate these resources locally.

3.8 The Partnership Managers Group (PMG), which is made up of lead officers from each of the partnerships affiliated to the 2020 Partnership has been tasked to develop the specific priorities for each partnership supported by a business case and evidence base for each. Using the business cases and other information BHCC will develop a proposal for the new style LAA and its associated resource allocation. The Local Strategic Partnership / Public Service Board (LSP / PSB) will then agree the final proposals for the city which will inform the basis for negotiations with GOSE on the targets for the LAA. The LAA will be signed off in Summer 2008.

4.1 Further Information

4.2 To support and inform this exercise, the Council has commissioned a Reducing Inequality Review. This review, whilst overseen by the LSP/PMG, is being carried out independently of the council and its partners. It will look at the impact of the Neighbourhood Renewal Strategy and all associated work that has been carried out across the city. This will enable the development of a strong evidence base for what programmes and approaches have worked towards contributed to reducing inequality across the city and, perhaps more importantly, what has not had such an impact. This will then feed into the planning of future direction/resource allocation.

4.3 Each Neighbourhood Renewal and New Deal for Communities funded project has a sustainability strategy. These include working with statutory service providers to look at the possibility of mainstreaming all or part of the programme, bidding for funding from other sources, working to identify alternative methods of service delivery that sustain the benefits of the project if not the whole project itself. The final 2 years of the NDC programme are being overseen by the East Brighton NDC Partnership – this monitors the outcomes of all projects and reviews their sustainability plans.

4.4 Services currently supported by as yet unconfirmed funding streams are carrying out similar sustainability work eg the Partnership Community

Safety Team is complying with new Government guidelines and is now carrying out its first annual Strategic Assessment of crime and disorder. It has brought forward the timescales of doing that (end of August 07) in order that it can inform this strategic work. The Business Plan will assume it needs to deliver the same or an improved level of performance in reducing crime and disorder – with less money. The Business Plan will then inform the new Community Safety, Crime Reduction and Drugs Strategy for 2008/2010.

4.5 There is some flexibility in the overall budget strategy through the Strategic Priorities Fund which could be used to provide replacement funding and therefore mainstream work in priority areas.

4.6 An officer working group has been established to oversee the HR project plan to support staff should redeployment/redundancies become necessary. It is essential that a consistent approach is taken to all staff/projects affected by this reduction/removal of funding.

5. Consultation

5.1 Partners and service providers involved in the delivery of programmes currently funded by initiative funding have been consulted and involved in the developing of potential sustainability options.

5.2 Initial meetings have been held with staff potentially affected by redundancy / redeployment due to the end of funding streams. An ongoing programme of further consultation which will involve the Unions and Human Resources staff is planned.

COMMITTEE REPORT APPENDIX



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Financial implications

Funding streams of £3.6million for initiative funded projects are due to end in March 2008. Any replacement funds will form part of the pooled budget for the LAA 2008-2010/11 to be finalised in summer 2008. It is not anticipated that all funding streams will be replaced. The potential impact of funding service priorities and the exit strategies (including staff related costs) of projects coming to an end will inform the service pressures on the 2008/09 budget, action is underway to quantify the associated risks.

Finance Officer consulted: Anne Silley/Date 21st Aug 2007

Legal implications

The funding streams mentioned in the report support the work of the Council in the discharge of its statutory duties and powers. In reaching decisions for the future of this work, the Council must provide sufficient resources to comply with its statutory duties. The Council has greater discretion in relation to services provided under statutory powers. The Council's broader legal duties should also be borne in mind, such as its general fiduciary duty to its Council Tax payers to act with financial prudence, the duty of best value, compliance with the Human Rights Act 1998 and in relation to equalities. Decisions which are likely to have implications for Council staff will need to be taken in the light of the Council's human resources policies and procedures and employment law.

Lawyer consulted: John Heys/Date 7 September 2007].

<p>Corporate/Citywide implications The funding streams referred to in the report support a number of community development and regeneration projects and also provide the main funding resource for a number of essential services for the city.</p>	<p>Risk assessment The process described in this report considers the risks of the ending of a range of funding streams. .</p>
<p>Sustainability implications To identify both environmental and broader sustainability implications of the proposals. If these are substantial, they should be addressed in the main body of the report and referred to briefly here. If there are none, this should be stated.</p>	<p>Equalities implications The community development and regeneration projects supported by these initiative funding streams are focussed on the most deprived areas of the city.</p>

Implications for the prevention of crime and disorder

As stated in the report, the City's Partnership Community Safety Team is currently funded in the main by initiative funding streams detailed in this report. Reduction in this funding will impact on the Council's and its Partners ability to deliver their statutory responsibilities to tackle crime and disorder.

Background papers *[Part 1 reports only]*

1. No Background papers.

Contact Officer

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