LPSA2 Reward Grant

The Grant

The LPSA2 Reward Grant is given as reward for meeting certain targets in the previous Local Area Agreement. The results for many of the targets are already available and a reasonable estimate can be made of the likely reward that will be received by the council.

The council will receive at least £3.2m, and possibly as much as £4m. The reward will be paid over two years, and will be split 50:50 between capital and revenue expenditure.

The decision making process

LPSA reward money is allocated by the government on the basis of performance against LPSA targets across all public sector partners. It has been previously agreed with the Public Service Board that decisions on any LPSA funding and rewards will be taken jointly with them. The anticipated LPSA Reward Grant has therefore been allocated between the different LAA blocks based on a risk assessment of delivery in the area, and the extent to which the relatively small sums involved in the LAA could be of use. The aim was to identify areas where the risks are high, and LPSA Reward Grant could have maximum impact.

Process for allocation

The allocation of LPSA Reward Grant set out in this annex has been approved by the Public Service Board, which represents the various agencies that support the delivery of the Local Area Agreement. Although their approval is not a requirement for the release of funding, it is a demonstration of partners' support for this approach.

A partnership manager representing each block presented on the risks in their area, and the extent to which LPSA money could be of use. In some areas, such as housing, risks were high but the market was so large that even a sizable LPSA sum would make little difference. In other areas, such as resource efficiency and sustainability, risks were lower, but small sums could fund schemes with potentially much larger impacts.

The results of the risk and impact assessments are included in the following table:

BLOCK	RISK TO LAA TARGETS	POTENTIAL IMPACT OF LPSA FUNDING
Crime / safety	High	High
Health/Wellbeing	Medium	Medium
Stronger Communities	Medium	High
Resource efficiency/ environmental	Low	Medium
Transport	Low	Low
Enterprise/ learning	Low	Medium
Children and Youth	Medium	High
Housing	High	Low

The following table provides the allocations for each area across 2009/10 and 2010/11. It should be noted that the funding available through the LPSA Reward Grant is one-off funding until March 2011 only, and therefore service areas using LPSA money to support recurring funding will need to put alternative funding arrangements or an exit strategy in place for 1 April 2011 onwards.

AREA	**INTENDED USE**	**2009/10 £'000**	**2010/11 £'000**
Crime and Safety	Continuation funding for the Partnership Community Safety Team	500	400
Health	Supporting key LAA targets for mental health and drug use	150	200
Stronger communities	Continuing neighbourhood work and community development	150	370
Environment	Support for the climate change and energy efficiency	40	60
Transport	Support for transport targets	0	40
Enterprise	Support for initiatives around learning and counter-recessionary activity	117	250
Schools & Youth	Support for various initiatives including Healthy Schools and Falmer Academy	400	150
Housing	Support for empty homes work	40	40
Partnerships	Purchase of performance management software ("Interplan")	65	0
Partnership support	Partnership support officer	50	50
Contingency		5	77
TOTAL		1517	1637

This distribution of funding is based on the money that we have a high certainty of receiving.

In addition, a second tranche of money, up to £924,150 is likely be received as a result of success on targets that reported later. This second tranche will also be used to help directorates deliver LAA targets, through the provision of shared resources such as the Brighton & Hove Local Information Service, and through specific partnership projects. As with the earlier tranche of money, partners will be consulted on how this resource should be spent before a final decision is taken.