

Haringey Strategic Partnership – 27 November 2006

Subject: Neighbourhood Renewal Fund and Safer and Stronger Communities Fund

1. Purpose

- 1.1 To provide a mid year review of the NRF and SSCF programmes and to propose a framework for the allocation of resources for 2007/08.

2. Summary

- 2.1 The report sets out the mid-year position for the two programmes and proposes programme management activities to optimise the 2006/07 position and to further align the planning and monitoring processes for 2007/08 to the floor targets and the HSP's priorities.

3. Recommendations

- 3.1 To note the current position across the programmes and the risk of underspends.
- 3.2 To note the action to date in managing the risk of underspend and to note that the chair of the HSP under delegated authority is agreeing reserve projects as required to mitigate the risk in accordance with the principles set out in paragraph 4.2.3.
- 3.3 To endorse the allocation of resources for 2006/07 between Theme Boards agreed by the HSP on 12 December 2005, noting that the HSP on 27 March 2006 agreed that the neighbourhood element of SSCF would be allocated to worklessness and that it is, therefore, under the governance of the Enterprise Theme Board.
- 3.4 To confirm that the principles agreed by the HSP for the 2006/07 programme will apply to 2007/08 as allocation criteria and to request the theme boards prepare proposals for the 2007/08 programme for the HSP in January, using the framework set by the programme management team.
- 3.5 To approve the six-monthly review report for SSCF to be submitted to Government Office for London Appendix B.

4. Background Information

4.1.1 This report is the regular mid-year review of the Neighbourhood Renewal Fund (NRF) programme to the HSP, and there are two dimensions to the report:

- the current position and issues arising of the 2006/07 programme
- planning for 2007/08.

4.1.2 In addition, the report provides an update status report for Safer and Stronger Communities Fund (SSCF).

4.2 The current position 2006/07 (NRF)

4.2.1 As members will know, new thematic structures were introduced for 2006/07 following the re-organisation of the HSP. This has led to greater responsibility being devolved to the thematic partnerships for the development of the NRF programme, which is worth £8.2m during 2006/07. This new approach has led to greater involvement in the NRF programme with thematic boards taking a greater role in project development and setting priorities to ensure positive impacts on the achievement of floor targets.

4.2.2 Additionally, this approach has created clearer accountability for the projects and theme board recommendations. Inevitably, it has taken time for this new approach to settle, however, and at the mid-point of the programme year it is timely to review progress with the new arrangements particularly in the light of the issues raised in paragraph 4.3 below.

4.2.3 To recap, in December 2005 the HSP agreed five principles for all thematic groups to apply when allocating their budgets. These were:

- there is a gap between current performance and the outcome targets;
- there are shortfalls, due to the allocation methodologies for mainstream funds, in resources to address the area;
- there are either proven interventions, (either locally or from elsewhere), or plausible innovative interventions which are agreed by the partnership as the best means to address the gap;
- the proposed interventions are **either** agreed as needing to be tested locally and it is agreed from the outset as part of the project exit strategy that should they prove successfully they will be mainstreamed within a specified partner(s) core budget(s), or they are fixed life interventions that will have an effect beyond the spending period; **and**

- the proposed intervention delivers measurable outcomes to wards which contain at least one SOA in the 10% most deprived in England with priority to those interventions that deliver most closely to more such areas.

At mid-year, it is prudent to ask thematic boards to reflect on whether these criteria are being applied effectively and how projects are performing against the floor targets.

4.3 What are the issues for NRF in 2006/07?

- 4.3.1 The most pressing issue facing the HSP in relation to the NRF is that it is now extremely likely that the programme will underspend. This is discussed below in paragraphs 4.3.4 – 4.3.5 and actions and issues identified. As HSP members will appreciate, it is very important that the NRF programme achieves a full spend.
- 4.3.2 With this in mind, action was required to allow the final group of Well Being projects to begin. These remaining projects were approved by the Well-Being Chairs Executive on 21 July 2006 and are set out in Appendix A. It was expected that these projects would receive HSP approval at the October meeting, but this meeting was set aside for community strategy development. Having reviewed previous decisions, the Assistant Chief Executive (Strategy) was satisfied that these projects had sufficient authority to proceed and this was confirmed to project managers on 19 October.
- 4.3.3 The implementation of the new theme board arrangements has ensured that the NRF allocation for 2006/07 has been fully allocated. However, members should be alerted to the fact that no provision for reserve projects has been included and no over-programming has been built in to the programme as yet. This is in contrast to previous years when significant over-programming was incorporated centrally to ensure effective management of the programme when slippage within projects occurred.
- 4.3.4 The programme management team continue to monitor spend against all projects and is now alerting the HSP to this issue of projected underspend so that early remedial action can be taken. To initiate this the programme management team convened a meeting of theme board support officers to discuss and agree a possible way forward, In addition to no built in over-programming, the potential causes of an overall underspend were identified and are listed below:
- Late approval of projects
 - Late starting of projects
 - £114K contingency fund yet to be allocated
- 4.3.5 To move matters forward quickly, the programme management team wrote to the chairs of the thematic partnerships and other stakeholders to propose a central call for new project proposals should significant

underspend arise in the programme. It is proposed that the projects are appraised against the five principles (used as criteria) set out in paragraph 4.2.3 above with the addition of a sixth: ability to spend by 31 March 2007.

- 4.3.6 The response to the central call for new project proposals was high, with 48 project proposal bids submitted via the Theme Boards, to the value of £2,179,421. The programme management team appraised the projects against the set criteria and the Chair of the HSP is approving the final reserve projects using delegated authority.

4.4 The current position 2006/07 (SSCF)

- 4.4.1 The overall co-ordination of the SSCF agreement has recently been re-allocated and integrated with NRF management; and is discussed below in paragraphs 4.5.1- 4.5.3. It should be noted that although there is central co-ordination of the SSCF, in common with NRF, there is prior agreement with Theme Boards for them to undertake the operational and spend monitoring and performance management against outcomes of their element of the SSCF. An immediate task will be to gather all relevant information from thematic leads in order to establish the position with regard to SSCF projects and spend and this is already underway.

4.5 What are the issues for SSCF in 2006/07?

- 4.5.1 The most pressing issue for the HSP in relation to the SSCF is the impending six-monthly performance management review of the Haringey SSCF Agreement. The summary report is to be submitted to Government Office for London (GOL) on 30th November.
- 4.5.2 The six monthly review is a process through which the HSP reports on and discusses with GOL progress against the overall SSCF outcomes and financial spend for the period of 1st April – 30th September 06. The objectives of the review are to
- Assess progress over last six months
 - Agree any actions needed to address under performance
 - Compare spend against profile, providing explanations for any difference

The six monthly review's objectives specifically exclude renegotiation of the previously agreed targets.

- 4.5.3 At mid year it is prudent to ask members to consider and comment on the mid year review of the SSCF Agreement and the Thematic Boards assessment against progress to date. See appendix B

5. ANALYSIS - Achieving cohesion across the programme

- 5.1 The new structures and devolved approach have had some very positive impacts upon the development of the NRF programme for 2006/07. Yet, within the transition it has not always been clear for the programme management team to see what is happening. Each theme board has developed their programme more independently this year and has adopted different approaches when considering and recommending projects for HSP approval. It is important and positive that theme boards retain the ownership of the projects, but without adopting a more centralised administrative and timetabled approach, management of the programme as a whole becomes increasingly difficult. Overall accountability for the NRF in Haringey rests with the programme management team and it is important that they are able to maintain a robust audit trail for the projects and their spending and the decisions taken in project selection, as specified by the Neighbourhood Renewal Unit.
- 5.2 For the second half of this year, it is important that these issues are managed. Officers are therefore proposing a monthly meeting between the programme management team and the theme board leads to ensure a balanced structure for an open, transparent and systematic approach for managing the programme. The thematic partnerships are being asked to keep the programme management team informed of discussions and decisions taken about projects to ensure a consistent audit trail is maintained.

5.3 Looking Ahead – The Local Area Agreement

- 5.3.1 HSP members will be aware that there are particular impacts for the NRF with the introduction of the LAA. Latest Government guidance on LAAs, states:

“Areas in receipt of Neighbourhood Renewal Fund (NRF) will have this funding pooled as part of their LAA. They must demonstrate how the LAA will help narrow the gap between their most deprived neighbourhoods and the rest of the area and have a positive impact on BME and other priority groups”.

- 5.3.2 Any area that is in receipt of NRF will have to include six mandatory outcomes in the LAA. Projects receiving NRF funding in 2007/08 should be able to demonstrate how they are meeting mandatory outcomes. This is consistent with our floor targets approach.
- 5.3.3 There is one further year of NRF funding available to March 2008. This provides thematic partnerships with an opportunity to develop their projects in line with the development of the LAA and to link with other pooled funding streams and mainstream resources. At the HSP meeting in December 2005, members approved the following allocations for 2007/08 for each thematic partnership:

Thematic board	NRF Allocation	SSCF Allocation
Better Places	2,240,000	1,130,000
Safer Communities	1,250,000	1,810,000
Enterprise	500,000	516,000*
Children & Young People	1,100,000	
Well Being	1,300,000	
Neighbourhoods & Capacity (top slice)	1,472,000	160,000
Total NRF 2007/08	7,862,000	3,616,000

* This is the neighbourhood element being spent on worklessness.

5.3.4 It is proposed that the five agreed principles at paragraph 4.2.3 are used as criteria by all theme boards, following a standard process set by the programme management function and that this discipline is applied to both funding streams.

6. FINANCIAL IMPLICATIONS

6.1 The programme management team continue to monitor spend against all projects and is now alerting CEMB to this issue of projected underspend so that early remedial action proposed in this report can be taken.

7. CONCLUSIONS

7.1 Learning from 2006/07, it is important that decisions are progressed more rapidly. Thematic partnerships will need to make quick and informed decisions about which of their current projects will meet the mandatory outcomes of the LAA and can justifiably continue with NRF support through 2007/08. Those projects that cannot meet the mandatory outcomes should exit from the programme in March 2007.

7.2 To assist thematic partnerships with this process and enable this to happen, the programme management team has asked all project managers to undertake a short self-assessment on how their projects relate to the current floor targets. Each project manager has been asked to demonstrate how their outputs or outcomes relate to one or more floor targets previously identified in their pro forma. The project manager returns are part of an information pack that will be sent to the relevant theme board support officers. The intention is for theme board support officers to use this information as an initial guide when thematic boards review projects and the monthly meetings proposed above will provide a framework for reporting. It is recommended that thematic partnerships review projects directly with individual project managers to cover the following points:

- Successes and achievements of project so far.

- Likelihood of the project achieving demonstrable success against the floor targets and the LAA mandatory outcomes next year.
- Theme board members remain satisfied that their recommendation to support the project can be justified.

- 7.3 Theme Board Support Officers must inform the programme management team of the decisions taken and recommendations made within an agreed timetable so that recommendations for continuation projects can be presented for approval to the January 2007 meeting of the HSP. This approach will allow project managers to forward plan work where agreed for continuation, or wind work and expectation down where exiting the programme.
- 7.4 Should thematic partnerships not fully allocate their funding, then new projects can be accommodated. Thematic partnerships must be satisfied that their recommendations for new projects can be justified against the ability to deliver the mandatory outcomes of the LAA. Theme Board Support Officers must inform the programme management team of the decisions taken and recommendations made within an agreed timetable so that recommendations for new projects can be presented for approval to the January 2007 meeting of the HSP.
- 7.5 LAA guidance also states that the NRF LSP performance management framework will be integrated into the performance management for the LAA. In addition, NRF reporting requirements will be reduced and integrated with those for the LAA.

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