

MEETING: Haringey Strategic Partnership - 11th February 2008

Title: Future Funding and Performance Management

1. Purpose:

1.1 To provide an update on the new area based grant funding arrangements and implications for the HSP.

2. Summary:

2.1 The new area based grant merges a number of existing funding streams to create a general grant to be used to contribute to the achievement of local priorities. The grant is approximately £1 million less than received last year from the individual grants that make up the area based grant when taking into consideration inflation and the new statutory duties relating to wellbeing and children and young people which are encompassed within the funding framework. The grant is received by the Council to support the achievement of local priorities in conjunction with partners.

LAA indicators are the HSP's jointly owned and agreed performance measures and as such are proposed as the basis for the receipt of funding. A new consistent performance system will be implemented from April 2008 to enable a review of funding in Autumn 08 against LAA indicators.

3. Recommendations:

3.1 That 2008/09 is seen as a transitional year facilitating the move to the new Area Based Grant.

3.2 A consistent performance framework is developed across the HSP capable of identifying outcomes and value for money.

3.3 Theme Boards submit funding proposals to the HSP Performance Management Group for agreement based on the outline at Appendix 1.

3.4 Each Theme Board to participate in a workshop in March covering the new national duties contained within the Local Government and Public Involvement in Health Act and to embed the new performance management framework.

3.5 A six monthly performance review conducted to identify any changes in activity or funding required to meet LAA indicators.

3.6 Consistency in terms of current funding to be provided to existing commitments as far as practicable within the overall reduction of grant.

Lead Officer: Sharon Kemp, Assistant Chief Executive, Policy, Partnerships, Performance and Communications.

4. Background

4.1 In November 2007 the Department for Communities and Local Government detailed the financial arrangements for the new Area Based Grant as part of the publication 'Development of the New LAA Framework' Operational Guidance. In December 2007 as part of the Council's financial settlement the Area Based Grant allocation was provided along with the details of individual grant allocations within it.

4.2 The Area Based Grant is a non-ring fenced revenue grant and is to be allocated according to local policy criteria such as the Local Area Agreement (LAA) Outcomes or regional priorities.

4.3 Whilst there is local discretion as to the allocation of the Area Based Grant, the guidance makes clear that the Council and its partners will be responsible for working towards delivering the new National Indicator Set and the locally agreed LAA targets. The new Corporate Area Assessment will scrutinise progress against agreed priorities and the effective use of resources with a strong focus on value for money and efficiency. Therefore whilst the Area Based Grant is non-ring fenced a correlation between spend and the achievement of local outcomes will be expected.

4.4 The allocation to Haringey Council for the next three year period is £21.852,000 2008/09, £23.537,000 and £23.343,000 10/11. Using the 07/08 allocations for the specific grants now merged within the Area Based Grant, there is a reduction of approximately £1million when taking into consideration inflation and the new statutory duties relating to wellbeing and children and young people which are encompassed within the funding framework.

5. Current position

5.1 The majority of grants contained within the Area Based Grant are currently received by the Council and partners for specific activities from differing Central Government Departments. The approval mechanisms and performance reports for the various grants have been different according to the Central Government Department providing the grant and therefore there is no common performance framework against which to assess the effectiveness of the use of various grants in meeting local priorities.

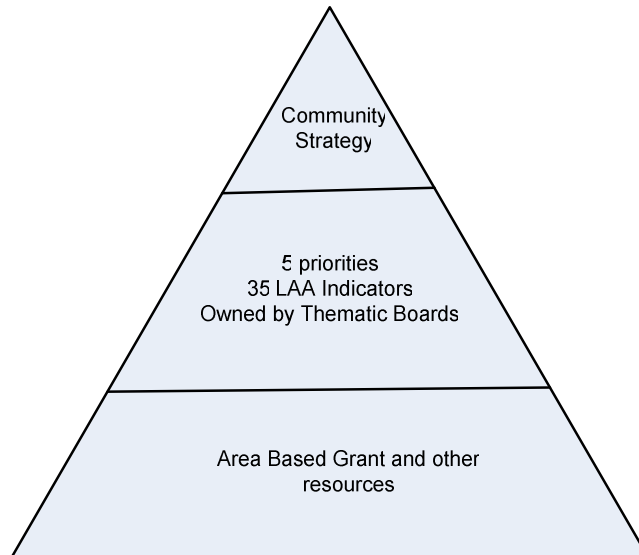
5.2 With the introduction of the Area Based Grant there is the opportunity to implement a consistent performance framework to monitor the effective use of the resource in meeting local priorities and develop consistency.

As the funding streams now within the Area Based Grant are currently committed to deliver a range of activities the ability to allocate the funding from a zero base is limited in the short term.

6. Future Aims

6.1 The Area Based Grant should facilitate the achievement of local priorities and these will be encapsulated locally within the new 35 LAA indicators the HSP is agreeing with GOL. The 35 Indicators will be used to measure progress against achieving the aims within the Borough's Community Strategy. A consistent performance

framework across the Council and the HSP will enable priorities and effective practice to be used as the basis of allocating the funding available. The diagram below depicts the process:



The timetable for agreeing the 35 LAA Indicators and Story of Place is:

- December 2008 - Theme Boards agree draft indicators
- January 2008 - HSP Performance Monitoring Group agree 35 LAA Indicators and Story of place for negotiation with GOL.
- January - February 2008 - Negotiation with GOL.
- March 2008 – HSP PMG (Performance Management Group) approve final indicator set and story of place.
- June 2008 - Ministerial Sign off

7. Proposal for allocating 2008/09 Area Based Grant

7.1 Certain themes of the HSP have seen increases in grant to match new statutory duties such as Children and Young People, whilst other areas such as Safer Communities have seen a reduction in funding. In order to try and provide the best possible position for each theme area, the best grant figure for the individual grants now within the Area Based Grant has been used as a base (either 07/08 or 08/09) and a 7.3% reduction applied to all to bring the theme areas funding inline with the overall grant total. Details of the funding total for each theme area is contained at Appendix 1.

7.2 As most of theme boards have seen a reduction in funding due to the reduced grant allocation, discussion will be required as to how best to manage the reductions whilst safe guarding existing commitments across partners. Each theme board will be required to submit a funding proposal to the HSP PMG in March identifying its

funding proposals. The new performance framework will be required to be completed by the end of March to enable the six month performance review to take place.

7.3 It is proposed that workshops will be facilitated for each theme board in March to support them in understanding the new national arrangements and embed a new local performance management framework.

8. Conclusions

8.1 The introduction of the Area Based Grant presents a fundamental shift in the allocation of funding from Central Government. This new approach presents the opportunity to develop a more robust approach to supporting activity that meets LAA indicators. An interim funding position would facilitate the development of a level playing field in allocating funding on a robust evidence base.