

HARROW STRATEGIC PARTNERSHIP BOARD

Local Area Agreement Reward Grant

18th April 2011

Introduction

The Reward Grant Determination letter for the outstanding LAA Reward Grant was received by the Council on the 15th March 2011 in respect of the targets where data was not available to support the claim when the first submission was made.

Harrow has received a sum of £635,396.88, which is 50% of the initial claim. As a result of pressure from London Councils and other representative bodies, Government has also relaxed the split of revenue and capital to 70% revenue and 30% capital.

	Grant Determination	Revenue	Capital
Harrow	£635,396.88	£444,777.82	£190,619.06

On the 22nd July the HSP Board agreed the distribution of the reduced LAA Reward Grants for both a best and worst case scenario based on a 50/50 split between capital and revenue.

- Since July a number of new factors have surfaced which prompts the question on whether the original allocation of additional funds still represents the best use of these resources.

Proposed Action

It is proposed that the distribution of the additional reward grant received from Government is reviewed and aligned against the new priorities for the Partnership, once agreed.

It is proposed that discussion on the priorities and outcomes from a previous paper on the agenda is used to develop a workplan, which outlines gaps and resource requirements. The workplan will be broken into the 4 priorities and co-ordinated by identified HCE leads. Each lead will be accountable for ensuring that all appropriate stakeholders are involved in the discussions.

A workplan, which will include both current and proposed projects, milestones, timeframes and resources will be presented to HCE on the 9th May. This workplan will be used to decide where the LAA Reward Grant funding should be distributed, to gain the most value and deliver the agreed outcomes for the Partnership.

The agreed workplan and an outline of where the LAA funding are proposed to be allocated will be presented to the HSP Board on the 12th July for endorsement.

What are you asking the Partnership Board to do

To endorse the proposed action of reviewing the distribution of the reward grant around the agreed priorities for the Partnership

To delegate the power to Harrow Chief Executives to develop a workplan based on the agreed priorities and outcomes.

To advise on the proposed allocation criteria

To advise on what support should be made available to voluntary and community sector organisations who wish to develop proposals for the agreed Partnership priorities and outcomes.

To advise on whether the scope of providers should be widened to include organisations outside of Harrow that may be undertaking similar work?

Summary of the Issue

The initial commitment by the Partnership Board was to provide 50% of the received reward grant to those organisations who successfully reached the targets. However in 2010 Government changed the agreement and announced that only half of the total reward grant will be provided to recipients due to the new financial challenges facing the public sector.

Initially Harrow only received a portion of the 50% reward grant due to a delay in finalising a further two indicators. In July 2010 the Partnership Board agreed a distribution based on both a worst case and a best case scenario. The best case scenario took into account the remaining grant that we hoped to receive by November 2010. In November we received a letter from Government announcing that the remaining grant will not be provided in November as originally anticipated and it would now be considered alongside the Round 3 LAA's, therefore the reward grant would not be received until March 2010. At this time it was still not confirmed how much this grant would be.

Since July a number of new factors have surfaced which prompts the question on whether the original allocation of additional funds still represents the best use of these resources. These factors are:

- The financial outlook for public services has considerably changed.
- Some recipient partner organisations have or are about to encounter governance changes
- One of the projects which as originally awarded an additional amount in the best case scenario is due to be completed by August 2011.
- Due to the considerable delay in receiving confirmation from Government on the additional money most of the projects originally agreed have revised their scopes to the lower amounts and the majority are successfully delivering the stated outcomes.

- The change to the split between capital and revenue will require the grant expenditure to be reviewed
- The Partnership is currently reviewing its priorities and structure

The Partnership is currently reviewing its priorities and structure to ensure its fit for purpose and effective. To help the Partnership deliver its priorities it is recommended that the additional reward grant received is utilised to support this work.

If the Board agrees to this approach it is important to note that this would mean some organisations, who solely contributed to achieving the reward grant and were originally led to believe that they would receive 50% of the reward grant, will not automatically receive any additional reward.

The key principles of investment would be an expectation that there is an evidenced return, either social or financial returns, the project is sustainable and demonstrates achievement of at least one of the outcomes.

Allocation Mechanism

To ensure the criterion to allocate funding is as simple and transparent as possible it is proposed that decisions on funding would be based around 4 key points:

- Clear demonstration of the desired outcomes (*of one or more of the approved priorities*)
- Sustainability of the project
- Ability to use the funding to leverage additional funding (*e.g. Awards for All, Trust and Foundations and European Funding*)
- Robust evidence, opinions, experiences and needs of service users and citizens

We would welcome the Boards advice on these proposed criteria.

Innovative approaches to achieving the outcomes will be encouraged and therefore ***we would welcome the views of Board members on whether we should widen the scope of providers to include organisations outside of Harrow that may be undertaking similar work?***

It is proposed to follow a commissioning process for the allocation of the additional LAA Reward Grant, which will be used to support delivery of the partnership priorities and associated outcomes. This will involve the consideration of the following points:

- Good information and evidence is used to inform the decisions – including robust evidence from reputable national research
- Opinions, experiences and needs of service users and citizens are taken into account as well as service providers from all sectors
- The cost and value of the proposal is understood and considered when making decisions

- The focus is on improving outcomes and meeting agreed needs

Members of the Partnership Board are invited to provide their thoughts and comments on the proposed commissioning process and the outcomes framework to ensure the final commissioning process is effective.

It is proposed that members of Harrow Chief Executives lead the commissioning of projects under each priority.

One of the major barriers for the smaller voluntary and community groups is their capacity and confidence to apply for grants/funding.

Members of the Board are invited to advise on what support should be made available to those organisation who wish to develop proposals for the agreed Partnership priorities and outcomes.

The final Partnership priorities, outcomes and workplan will be presented to the HSP Board on the 12th July for endorsement. Following this meeting, partners will be encouraged to work together to develop proposals for the agreed outcomes of which the Harrow Chief Executives will oversee.

It is proposed that the Harrow Chief Executive group is delegated the power to distribute the £635,396.88 based on a programme of work that will achieve the agreed Partnership priorities. Financial reports will be presented to the HSP Board quarterly to outline where funding has been spent and for what purpose.