

Subject: Performance Reward Grant

Status: For Publication

Report to: Cabinet
Council

Date: 17th March 2010
24th March 2010

Report of: Director of Customers and Communities

Portfolio Holder: Communities and Neighbourhoods

Key Decision: Yes – Recommendation to Full Council

Forward Plan

General Exception

Special Urgency

1. PURPOSE OF REPORT

This report seeks Council's approval of the recommendations put forward by the Local Strategic Partnership's Executive on the allocation of Performance Reward Grant.

2. CORPORATE PRIORITIES

2.1 The matters discussed in this report impact directly on the following corporate priorities:

- Delivering quality services to our customers
- Delivering regeneration across the Borough
- Keeping the Borough clean, green and safe
- Promoting the Borough
- Encouraging healthy and respectful communities

3. RISK ASSESSMENT IMPLICATIONS

Failure to agree the proposed allocation of Performance Reward Grant could lead to under-performance of the Local Area Agreement targets and outcomes in Rossendale's Sustainable Community Strategy and Corporate Plan.

4. BACKGROUND

4.1 Performance Reward Grant is allocated by Central Government for the achievement of the first set of Local Area Agreement 2006–2009 stretch targets. The level of reward grant is dependent upon the performance of individual stretch targets.

4.2 Lancashire County Council has agreed that 60% of the total Performance Reward Grant awarded by Central Government will be shared equally amongst the 12 districts in Lancashire.

The County Council has developed a protocol setting out the accounting arrangements and use of Performance Reward Grant which on 17th June 2009 Rossendale Borough Council's Cabinet adopted. (See Appendix 1).

- 4.3 It is estimated that Rossendale could receive in the region of £1m of Performance Reward Grant paid in instalments at the end of the financial years 2009/2010 and 2010/2011 with a final payment in the financial year 2011/12.
- 4.4 A wide range of partners have been involved in and had responsibility for the achievement of the stretch targets. It is therefore a requirement of the protocol that the Local Strategic Partnership makes recommendations to Cabinet on what the funding is spent on. The Local Strategic Partnership has no legal status and therefore the recommendations made by them needs to be ratified by the Council.
- 4.5 In May 2009 all theme groups of the Local Strategic Partnership and the Community Network were invited to put forward project proposals for spending against the Performance Reward Grant by completing a brief expression of interest.
- 4.6 The Local Strategic Partnership received 21 expressions of interest, totalling £2,562,968 far exceeding the estimated £1m worth of Performance Reward Grant that Rossendale is likely to receive.
- 4.7 A sub-group of the Local Strategic Partnership met on 1st October 2009 and agreed in principle to short-list five projects totalling £610,000, which it felt would leave a lasting and sustainable legacy to Rossendale. The sub-group felt that it would be prudent when allocating funding to take account of the financial pressures on National and Local Government as they may affect the amount of Performance Reward Grant paid to Rossendale in year two.
- 4.8 It was therefore recommended, that only the first instalment of Performance Reward Grant is allocated which is due in April 2010. The sub-group invited the five projects to submit detailed business cases so that each project could be further assessed before the recommended allocation of the Performance Reward Grant was agreed.
- 4.9 On 14th January 2010 the sub-group met for the second time to assess the detailed business cases. According to the latest data provided by Lancashire County Council, the first Performance Reward Grant instalment is likely to be £488,000, subject to final audits and confirmation by Central Government. In light of this, the sub group made recommendations on which of the five projects to take forward or scale back from the £610,000 to £488,000.
- 4.10 Sub-group members were particular keen to fund capital based projects which they felt were sustainable and could act as a catalyst for further investment in the future. Members were also keen to ensure that project outputs were realistic, deliverable and measurable and that there was sufficient capacity for the lead organisation to drive the project forward through partnership working.

4.11 Sub-group members agreed to the following recommendations:

CCTV

Community Safety Partnership submitted a detailed business case for an additional two camera sites to be fitted to the current CCTV system in Rawtenstall. The first camera would be fitted at the junction of Bocholt Way/Bury Road and the second at the junction of Bacup Road/Kay Street. The area covered by these cameras would incorporate the proposed new bus station, the health hub and would also allow views onto and off the M56 which is one of the routes used by travelling criminals coming into the area from Manchester.

The sub-group recommended £40,000 capital funding for the two cameras to be installed and managed.

Swimming Pool

Cultural Board submitted a detailed business to support the development of a new swimming pool for Rossendale. The new pool will be located at Haslingden Sports Centre and would replace the current pool on East Bank Avenue, Haslingden. Emphasis was particular given to the long term impact this project would have on improving health and increasing physical activity.

The sub-group recommended £250,000 capital funding towards the development of the new swimming pool.

Community Allotment

Health and Wellbeing theme group submitted a detailed business case for the creation of a community allotment site in Rossendale. The capital element was for the purchase and building of the allotment site and the revenue element for project management of the site.

Concern was expressed around capacity and resources to deliver the project and the need to identify a lead organisation committed to driving the project forward. The sub-group also suggested that alternative funding sources needed to be considered and the group need to explore how the project can be delivered through existing service providers with expertise and experience in delivering such a project.

The sub-group recommended allocating £28,000 to an allotment project with the funding ring-fenced for spend by the Health and Well-Being theme group.

Adrenalin Gateway

Regeneration Board submitted a detailed business case consisting of both capital and revenue funding. The capital element was for improvements to the mountain bike trails and also installation of an artificial boulder (high performance climbing) at Lee Quarry. The revenue element was for a programme of activities to help raise the profile of the Adrenalin Gateway.

The sub-group were very supportive of this project and agreed to allocate £90,000 capital funding towards the trails and boulders and a further £10,000 of revenue funding towards the marketing of the Adrenalin Gateway.

Improvements to Signage

Regeneration Board submitted a detailed business case for new signage and making improvements to existing signage to help promote Rossendale as a tourist destination and also to provide directional signage to key services in Rossendale. The types of signage proposed are destination (towns/attractions within Rossendale); brown tourism signs to key tourism attractions (e.g. Adrenaline Gateway, Lee Quarry & Halo); way marking on walking routes of national importance (e.g. Rossendale Way); accommodation providers, picnic sites and cycle routes; removal of redundant signs.

Members were very supported of this project and the links it has with almost all projects, services and attractions on offer in Rossendale e.g. adrenalin gateway, the Halo, town centres, leisure services, railway etc. The project is sustainable in the long-term and can bring in additional economic benefits through and increase in visitor numbers to the valley.

The sub-group recommended £70,000 capital funding towards the project.

TABLE 1

Project	Amount requested		Recommendations	
	Capital	Revenue	Capital	Revenue
CCTV	40,000	0	40,000	0
Swimming Pool	250,000	0	250,000	0
Community Allotment	40,000	30,000	28,000	0
Adrenalin Gateway	90,000	60,000	90,000	10,000
Signage	100,000	0	70,000	0
Total	520,000	90,000	478,000	10,000

Overall project total	610,000	£488,000
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4.12 The recommendations of the sub-group as detailed above were presented to the Local Strategic Partnership Executive on 25th January 2010 where they agreed to the proposed allocation as detailed in table 1.

COMMENTS FROM STATUTORY OFFICERS:

5. SECTION 151 OFFICER

5.1 Financial implications are commented on in the body of the report.

6. MONITORING OFFICER

6.1 Legal implications are commented upon in the body of the report.

7. HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)

7.1 No Human Resource implications.

8. CONCLUSION

Performance Reward Grant represents a significant ‘one-off’ payment to assist in the delivery of projects that will help achieve the vision and outcomes outlined in Rossendale’s Sustainable Community Strategy, Local Area Agreement and Corporate Plan. The allocation recommended by the Local Strategic Partnership Executive will bring tremendous benefits to both residents and visitors, leaving a sustainable and lasting legacy to Rossendale.

9. RECOMMENDATION(S)

9.1 That subject to confirmation of the funding from Lancashire County Council, Council agrees the recommendations put forward by the Local Strategic Partnership Executive as detailed in Table 1 of the Committee Report.

9.2 That Council delegates the establishment of monitoring arrangements for the Performance Reward Grant to Overview and Scrutiny and the Local Strategic Partnership’s Executive.

10. CONSULTATION CARRIED OUT

10.1 Local Strategic Partnership Theme Groups, Community Network, Local Strategic Partnership Executive

11. COMMUNITY IMPACT ASSESSMENT

Is a Community Impact Assessment required No

Is a Community Impact Assessment attached No

12. BIODIVERSITY IMPACT ASSESSMENT

Is a Biodiversity Impact Assessment required No

Is a Biodiversity Impact Assessment attached No

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The Lancashire Local Area Agreement – Distribution of the Performance Reward Grant Protocol

This Protocol is made in respect of payment of the Performance Reward Grant under a Local Public Service Agreement now commonly known as a Local Area Agreement.

This Protocol regulates the Governance and Financial Management of the Performance Reward Grant

This Protocol is agreed by Lancashire County Council and the 12 District Councils; Burnley Borough, Chorley Borough, Fylde Borough, Hyndburn Borough, Lancaster City, Pendle Borough, Preston City, Ribble Valley Borough, Rossendale Borough, South Ribble Borough, West Lancashire District and Wyre Borough.

The protocol is supported by all members of the Lancashire Partnership.

1. Background

1. Performance Reward Grant (PRG) is money payable by Central Government for the achievement of Local Area Agreement stretch reward targets. A wide range of partners has been involved in and responsible for the achievement of the targets.
2. The dates for achieving the stretch targets covered by this Protocol are from 31st March 2009 to the 31st December 2010 and, if achieved, PRG will be paid in instalments mainly over the 2 financial years 2009/10 and 2010/11 with a final payment in the financial year 2011/12
3. PRG will be paid by Central Government to Lancashire County Council as 50% capital and 50% revenue
4. PRG can be carried forward from the financial year in which it is paid
5. There is no final date by which PRG must be spent
6. The level of PRG available is dependent upon the success of individual reward targets

2. Accounting Arrangements

1. Lancashire County Council (LCC) is the accountable body and banker of the funds received from Central Government
2. LCC will be responsible for ensuring that money spent through the Lancashire Partnership and the District Local Strategic Partnerships (LSPs) is properly accounted for and will monitor this through the application of this Protocol
3. PRG will be distributed by LCC at the agreed distribution rate of 40% to the Lancashire Partnership and 60% to be divided equally and paid to the District Councils who will receive the money on behalf of the 12 Local Strategic Partnerships

4. PRG funds will be paid by LCC upon receipt from Central Government
5. LCC on behalf of Lancashire Partnership and the District Councils on behalf of the district LSPs will create and maintain clearly identifiable accounting structures for the PRG funds
6. The District Councils on behalf of the LSPs shall prepare, in October of each year, an interim monitoring report on LSP spending to 30 September, projected spend for the remainder of the year and any planned use of PRG funds in future years. Each District will present the report to their district LSP. Copies of District reports are to be forwarded to LCC. A combined District and County report will be presented to the Lancashire Partnership Board.
7. The District Councils on behalf of the LSPs shall also prepare a final year-end report for the PRG funds expenditure on a similar basis as the interim report.
8. The interim and final year-end reports shall have a form and content which is to be agreed by the District Council and the County Council, in consultation with the LSPs, and which will be consistent across the county
9. Unused funds arising from the current and earlier years' contributions may be carried forward into the following financial year.
10. Funds must not be committed by the district LSP or Lancashire Partnership in excess of the budget available. The District Councils and County Council shall be responsible for ensuring that there are sufficient funds in their partnership's budget to cover all outgoing payments and any overspend will be the responsibility of the District Council and County Council respectively
11. It is a requirement of Central Government that PRG funding is used on a 50% capital 50% revenue basis and this applies to the proportion of PRG payable to each District Council, an initial approval letter will be issued to which outlines the amount of capital and revenue payable to each District Council.

However, within this overall requirement, the capital and revenue allocations can be exchanged between LSPs, for example, district A may swap all or some of its capital allocation for district B's revenue allocation.

In cases where LSPs wish to swap capital and revenue funding, an application setting out the details of the proposed swap should be made to the County Council in order that we can maintain the 50/50 rule. A revised approval letter will then be issued to the relevant LSPs. All applications for swaps should be made to Rachel Parker at rachel.parker@lancashire.gov.uk.

3. Use of the Performance Reward Grant

1. Performance Reward Grant should be invested in the future of Lancashire with the over-riding aim of “narrowing the gap”. The use of PRG should follow the golden thread of priorities which set out the outcomes needed to achieve this over-riding aim in:-

- Ambition Lancashire
- The Local Area Agreement
- Sustainable Community Strategies (District level).

2. The district LSPs shall make recommendations to the District Councils as to the allocation of the PRG and all funding decisions should be made through this route. These recommendations shall be in accordance with their work programme encompassing the above plans and strategies and allowing the principle to be addressed at different spatial levels and as appropriate for different communities across the county.

The councils have responsibility for the proper use of the funds and therefore for formally approving the allocation of the funds. However, the recommendations on the allocation of funds should be made by the LSPs.

3. In order to add value with this funding, all partners when making funding decisions will need to be able to set those decisions in the context of:-

- What is being commissioned at both county and district level
- How this activity helps to achieve the outcomes
- How the gaps and risks are being addressed

Use of PRG funds should be supported by clear business cases which provide this context in order to maximise the outcomes from the use of the resources. Recommendations of the district LSPs and Lancashire Partnership shall be supported by clear reasons

4. In principle the funding should be used to provide services for the people of Lancashire but PRG can also be used to provide reasonable administrative and financial support to the District and County Councils and partners in carrying out their additional responsibilities in relation to the Local Area Agreement. LSPs will determine what is reasonable in relation to any particular activity or function.

5. Recommendations of the LSPs shall be communicated to the District Councils and shall be ratified by that authority through its usual executive process. This may be by the full Cabinet, by a Cabinet member, by a Chief Officer under a scheme of delegation or by any other means within the district council’s constitution. The County Council shall delegate its executive function in respect of ratifying the district LSP expenditure to the District Councils

6. After executive ratification, the District Council shall make the payment or payments to implement the decision as and when necessary on behalf of the LSP.

7. Spending recommendations agreed by the Lancashire Partnership Board will be subject to agreement by the LCC Cabinet member for Resources.

8. No decision shall be taken by the District Council or County Council which gives rise to a commitment to make payments in future years unless those payments are covered by currently available funds, either those carried forward for the specific purpose or if sufficient funds are already forecast as being available in the future financial year i.e. from the second payment instalment.