

Report to: Executive
Date: 20 May 2008
Report of: Joint Report of Executive Members for Regeneration and Resources.
Subject: Area Based Grants (Working Neighbourhoods Fund and Stronger Safer Communities Fund)
Ward: All

1. Purpose of Report

1.1 The purpose of this report is outline a structure for the use of Area Based Grant (ABG) allocations in the District. In particular the report focuses on the allocation of Working Neighbourhoods Fund, Stronger Safer Communities Fund, Cohesion Fund and Youth Taskforce grant.

2. Consultations

2.1 Consultation has been undertaken with Management Team. In addition the report takes account of discussions with the East Durham Local Strategic Partnership and with partners including Job Centreplus, Learning and Skills Council for the North East and the three other Durham NRF/WNF Districts.

3. Background

Area Based Grants

3.1 Arising from the Comprehensive Spending Review 2007 (CSR07), all general grants (including ABG) from central government to local authorities from April 2008 are allocated on a three year basis. ABGs are non-ring fenced general grant awards with central government departments not seeking to apply any direct controls on how the money is to be spent through grant terms and conditions. Instead general policy advice has been issued and the use of the resources will be assessed through the mechanisms of Local Area Agreements, Comprehensive Area Assessments and the new local performance framework.

3.2 Some ABGs has been allocated directly to District Councils and others to upper tier authorities. Where District Councils are the recipient, they are responsible for determining the allocation of the ABG resources to service activities. Easington District has been awarded ABG allocations relating to Working Neighbourhoods Fund, Stronger Safer Communities Fund, Cohesion Fund and the Youth Taskforce grant.

3.3 The District's ABG allocation and those for other Durham Districts are attached at Appendix 1. For the three year period 2008 -11 the total for Easington is £23m, with £7m in 2008/09. This is in addition to firstly, Deprived Areas Funding from Department of Works and Pensions of £1.2m over the period 2007-2009, administered through the Tyne and Wear City Region Employment Framework to reduce levels of Incapacity Benefit in East Durham; and secondly, LEGL funding for 2008-2011 that amounts to £9.24m across the four eligible districts.

Working Neighbourhoods Funds

3.4 Under the CSR07 the Government announced a 'Working Neighbourhoods Fund' (WNF) with a focus on tackling worklessness, skill levels and promoting enterprise in the most deprived neighbourhoods. This Fund is a successor to the Neighbourhood Renewal Fund (NRF).

3.5 WNF represents a shift in the Government's neighbourhood renewal focus from the broad approach under NRF to support the improvement of economic, social and environmental conditions in the most disadvantaged communities, to a more targeted set of outcomes with an emphasis more specifically on the employability agenda. This reflects:

- Since the introduction of NRF, significant increases in mainstream spending on services, which previously used NRF to support improvements and change.
- Despite improving employment rates overall, in many deprived areas, pockets of concentrated worklessness remain within specific neighbourhoods. It is estimated that some 20% of those claiming 'out of work' benefits (Jobseeker's Allowance, Incapacity Benefit or Income Support) live in the most deprived ten percent of neighbourhoods in England
- The Government's enhanced priority to welfare reform and central to this a drive towards ensuring that those who can work are given the support they need to enter and remain in the labour market.

3.6 The WNF is intended to provide resources to local authorities to tackle worklessness, low levels of skills and enterprise in their most deprived neighbourhoods, but within a multi agency partnership based approach. This is seen as necessary so as to create and sustain enterprise and to drive the demand for labour in and around neighbourhoods with high levels of worklessness.

3.7 There is a strong expectation from the CLG for areas receiving WNF to include targets on tackling worklessness and boosting enterprise in their Local Area Agreements.

Stronger Safer Communities Fund - CLG

3.8 The CLG component of Stronger Safer Communities Fund (SSCF) was previously provided to support Neighbourhood Management Pathfinders approved under two funding rounds. An additional Neighbourhood element was introduced in 2006/07 for those areas with a number of SOAs in the worst 3% nationally. This ABG allocation provides support for the continuation of the NMP at Easington Colliery and Horden and the Neighbourhood Element of North Peterlee.

3.9 The Home Office element of the SSCF combines the Building Safer Communities Fund related to CDRP work, Anti Social Behaviour Co-ordinators Grant and the Drug Strategy Partnership Support Grant and has been award as an ABG to Durham County Council.

Cohesion Funds

3.10 This allocation is based on the community cohesion best value performance indicator findings from the 2006/07 General Best Value User Survey and is generally aimed at improving citizenship and engagement activities.

Youth Taskforce Grant

3.11 This relates to Department for Children, Schools and Families funding that was previously included as part of the Home Office's Anti Social Behaviour Grant as part of the work of their Respect Taskforce. The value of the grant to the District is £50,000 per year over the three-year period.

4. Area Based Grants Allocation: Proposed Methodology

- 4.1 The levels of deprivation within East Durham have traditionally attracted high levels of grant based funding to assist in tackling the causes and symptoms of economic and social disadvantage. Successes to date in renewing our neighbourhoods have come in part from a strong partnership and strategy led approach to determining measures to address agreed priorities. Continuation of this approach is seen as being fundamental in making further progressive improvements in an environment of changing delivery and institutional structures.
- 4.2 A large proportion of the District's ABG (i.e. WNF) has an outcome and purpose that is clear and well defined - 'funding to improve the economic well being of the most disadvantaged neighbourhoods' by actions linked to raising economic activity and employment levels. However, as the funding is non-ring fenced there is scope for discretion to support other mainstream agency programmes aimed at improved neighbourhood renewal outcomes as well as the more specific economic participation related outcomes.
- 4.3 Arising from consultations with the East Durham LSP and discussions with key partners, it is proposed to work within a 'planning framework' for the commitment of ABG resources to firstly directly secure employability outcomes (i.e. *Working Neighbourhood* outcomes) and secondly, support outcomes that improve wider neighbourhood conditions as means of contributing to improving the economic prospects for individual and neighbourhoods in the future (i.e. *Working Neighbourhood Outcomes*). As with the approach used to determine the use of NRF resources, intervention measures will be determined by reference to their 'fit' with the existing partner strategies and service priorities, an evidenced justification for the intervention, demonstration of the additionality of ABG to other funding streams and support by the relevant implementation group of the LSP.
- 4.4 In line with the Council's medium term planning focus, it is proposed to prepare a three-year delivery plan covering the *working* and *neighbourhood* outcome actions and to support continuing community engagement. Establishing a three-year programme would provide some stability and sustainability in service provision as we move forward with Local Government Review during 2008/09.
- 4.5 The following 'planning guidance' figures set out below are proposed to used to assist the preparation of a delivery programme. The final distribution of resources will be determined through a series of Delivery Plan discussions in consultation with the LSP and presented to the Council for approval.

Delivery Plan Elements	2008/09 (£m)	2009/10 (£m)	2010/11 (£m)	Total (£m)
Employability Outcomes	3.200	4.000	4.000	11.200
Neighbourhood Outcomes	3.750	3.902	3.957	11.609
Community Engagement	0.104	0.100	0.140	0.344
ABG Totals	7.054	8.002	8.097	23.153

Employability Outcomes

- 4.6 To guide the delivery proposals for the employability outcomes it is proposed that the LSP's Economy and Skills Implementation Group develop a revised Employability Strategy as the core delivery focus of this work. This will bring together current work on the delivery of the DAF with the ABG into one cohesive plan that includes multi district activity.

- 4.7 In addition, with the flexibility of ABG the option is available to adopt a more strategic, multi-district commissioning approach to address common issues across all of the areas in receipt of the WNF, as was successfully employed in the development of the LEGI programme. Initial discussions suggest an appetite for a joint programme to provide economies of scale, achieve closer link to actions on enterprise via LEGI and create a greater strategic traction on the key employability and worklessness issues facing the county. Such an approach would also provide County-wide partners with confidence that a significant contribution can be made through this to targets contained within the County Durham Economic Strategy and the County Local Area Agreement. This approach would though still retain significant scope for addressing Easington specific needs through local project commissioning.
- 4.8 This approach has been welcomed in discussions within the LSP's Employability Group and by sub regional partners such as Job Centreplus and the LSC as well as the County Durham Primary Care Trust who are exploring how they might invest in activity to sustain some of the initiatives and lessons learnt through the Northern Way Pilot – Aim High Routeback that operated in East Durham.

Neighbourhood Outcomes

- 4.9 The value of actions that will improve the general well being of disadvantaged communities and in doing so support the employability outcomes also need to be recognised. In order to secure greater wealth in disadvantaged neighbourhoods attention needs to be given to measures directed at the alleviation of other environmental and social conditions that often create additional barriers to economic participation.
- 4.10 Accordingly, a level of ABG resources needs to be made available for other 'neighbourhood' improvement actions alongside WNF related activities within selected neighbourhoods. This would build upon the experience gained through previous NRF programme work of the type of activities that do lead to a stepped change in a neighbourhood's prospects so as to create a greater propensity going forward to achieve economic improvements. This should focus on actions that tackle barriers to economic participation and build on some of the co-ordination lessons from the Neighbourhood Management Pathfinder.
- 4.11 Elements of the ABG have in the past been allocated to support the two neighbourhood management programmes in the district at Easington Colliery and Horden NMP and North Peterlee. Funding is primarily to support staffing costs with a limited amount of 'activity' funding. The continuation costs for these activities in 2008/09 for the NMP and over the period 2008 to 2010 for North Peterlee will need to be secured through this element of the ABG. It is evident that discussion will need to take place with both pathfinders to establish robust exit strategies within the funding envelope available.
- 4.12 A further element that this strand of the programme will need to accommodate is:
- Any agreed actions related to the scope of the Youth Taskforce.
 - An appropriate allowance for the continuation of support towards the operation of the East Durham LSP during 2008/09.
 - A County Durham Partnership Executive Board decision for each locality to use some ABG to support VCS coordination capacity across the County in 2008/09. The contribution from the District Council would be £26,000.

Community Engagement

- 4.13 Cohesion Funds elements of the ABG is aimed at improving citizenship and engagement. It is proposed that this resource is used to support the LSP costs in 2008/09 related to community engagement and participation actions and for years two and three to support a wider community engagement plan delivered through the East Durham Community Trust.

Delivery

- 4.14 It is proposed the Council should work in consultation with the East Durham LSP to shape priorities as this is well understood by partners (both strategic and local) and should ensure resources are directed towards agreed priorities and clear economic and neighbourhood renewal outcomes.
- 4.15 As with previous funding streams, use will be made of existing LSP arrangements, with the LSP Executive taking a strategic overview to ensure new areas of delivery activity are adding value to existing arrangements and monitoring performance outcomes. As the direct employability outcomes element of ABG is targeted on employment related initiatives, it is proposed that the Economy Skills and Learning Group supported by the Employability Sub Group undertake a project commissioning role. This brings together all of the relevant organisations currently working to address the worklessness, skills and enterprise agenda
- 4.16 For the Neighbourhood Outcomes, given ABG activity will be targeted on a range of initiatives, it is proposed that the project commissioning role be undertaken by the implementation groups of East Durham Local Strategic Partnership Group supported by the Strategic Funding Group. This brings together all of the relevant organisations currently working to address neighbourhood renewal and regeneration.
- 4.17 This should ensure that the key principles of LSP's based working is maintained, including:
- Using a performance management framework to identify where interventions are necessary.
 - Using the experience of LSP partners to specify appropriate and effective commissions.
 - Using external funding to draw mainstream resources towards shared priorities.
 - Maximising the impact of external funding through a careful management of intervention rates.
- 4.18 In order to ensure that there is a strategy led approach to achieve agreed priorities for economic regeneration and neighbourhood renewal and to avoid 'a funding driven' approach, alignment of activities will be sought around a number of measurable outcomes. These will be developed through a consultative process with partners with a focus on improvement of employability and enterprise development, and improving the conditions in individual neighbourhoods so as to support an improvement in the economic prospects for individuals and neighbourhoods.

Timescales

- 4.19 As the delivery of the various aspects of ABG does not depend upon all aspects of the ABG being in place at the same time, it is envisaged that each element will have to work to its own timescales. However, it is proposed that the following is in place by July 2008 for the Executive's approval in the distribution of ABG resources:
- Direct Employability outcomes including DAF and joined working arrangements be in place and agreed in a revised East Durham Employability Action Plan.
 - Neighbourhood outcomes including management and administration.
 - East Durham Local Strategic Partnership Community Engagement Plan.

5. **Implications**

Financial

- 5.1 The financial implications are detailed in the report, with the Council being responsible for the commitment of the ABG resources.

Legal

- 5.2 There are no significant legal implications arising from the report.

Policy

- 5.3 The proposed approach detailed in the report will assist the Council to deliver a number of key policy objectives related to the economic well being of the District and to promote improve outcomes for the individual communities set out in the Corporate Plan, and the draft East Durham Regeneration Statement.

Local Government Review

- 5.4 It is expected that the use of ABG resources will be covered through the 'general consent' arrangements linked to the agreement of the Council's 2008/09 Financial Plans. The proposed three year Delivery Plan will require consultation with Durham County Council as its activities will involve commitments beyond 2008/09, but at this stage it is not possible to determine the full financial implications (if any) for the new authority. This will be determined through the planned partnership based approach with the LSP that should serve to mitigate any risks to the new authority.

Risk

- 5.5 A risk assessment process will need to be undertaken as the Delivery Plan is advanced.

Communications

- 5.6 A communications strategy will need to be prepared following the agreement of the Delivery Plan.

6. **Corporate Implications**

Corporate Plan and Priorities

- 6.1 The proposed approach is in line with Council's agreed priorities and the provisions of the Corporate Plan and the Transitional Plan.

Equality and Diversity

- 6.2 It is not considered there are any significant equality and diversity issues arising from the report.

E-Government

- 6.3 It is not considered there is any significant e –government issues arising from the report.

Procurement

- 6.4 There will be a number of procurement exercises related to this proposed approach.

Performance Management and Scrutiny

- 6.5 The outcomes of this process will subject to normal Scrutiny Committee arrangements.

Sustainability

- 6.6 The proposals set out in the report are intended to support the promotion of greater economic, environmental and social sustainability of the areas and communities in the District.

'Well Being Powers'

- 6.7 The proposals detailed are in line with the purpose of the 'well being' powers.

Crime and Disorder

- 6.8 It is not considered there are any significant crime and disorder issues arising from the report.

Social Inclusion

- 6.9 It is not considered there are any significant social inclusion issues arising directly from the report.

7. Recommendations

- 8.1 That the Executive approve the approach as set out in the report governing the management and use of the Area Based Grants awarded to the Council related to the Working Neighbourhoods Fund, Stronger Safer Communities Fund Cohesion Fund and Youth Taskforce based upon consultation with the East Durham LSP.
- 8.2 That a three year ABG Delivery Plan that includes employability, neighbourhood and community engagement measures be prepared in consultation with partner agencies from within the East Durham LSP.
- 8.3 That discussions are progressed with other ABG/WNF Districts and key agencies on cross area employability actions.
- 8.4 That a contribution of £26,000 from the 2008/09 ABG allocation to support the Voluntary and Community Sector in the County during 2008/09 is approved as agreed under the County Durham Local Area Agreement arrangements
- 8.5 That a report be presented to the Executive in July 2008 to formally agree the three year Delivery Plan and the allocation of Area Based Grant funding for the period 2008- 2011.

Background Papers:

Communities and Local Government and Department of Works and Pensions: The Working Neighbourhoods Fund, November 2007
Communities and Local Government: Area Based Grant – General Guidance, February 2008.

Contact Officer:

Richard Prisk, Director of Regeneration and Development

**Appendix 1
AREA BASED GRANT ALLOCATIONS - 2008/9 - 2010/11**

Authority	Cohesion			LEGI			Stronger Safer Communities			Supporting People			Working N'hood fund			Total	Other	Total
	08/09	09/10	10/11	08/09	09/10	10/11	08/09	09/10	10/11	08/09	09/10	10/11	08/09	09/10	10/11			
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Chester le Street	0.026	0.049	0.075				0.25									0.150		0.150
Derwentside	0.049	0.091	0.140	2.738	3.308	3.190	7						1.997	2.361	2.449	16.580		16.580
Durham City																0.000	0.321	0.321
Easington	0.049	0.091	0.140				0.613	0.258					6.342	7.603	7.907	23.003	0.150*	23.153
Sedgefield	0.049	0.091	0.140										2.099	2.799	2.968	8.146		8.146
Teesdale																0.000		0.000
Wear Valley							0.413	0.258					2.158	2.511	2.596	7.936		7.936
																0.000		0.000
																0.000		0.000
Durham County										0.399	14.956	14.903				30.258	76.337	106.595
Totals															86.073	76.808	162.881	

* Youth Task force funding