Local Area Agreement - Performance Reward Grant

PURPOSE

1. To update Members on the progress in finding further savings from the Working Neighbourhoods Fund (WNF) programme in 2010/11 to compensate for the withdrawal of the proposed 2nd round of Performance Reward Grant (PRG) payments.

2. To approve the allocation of the remaining additional PRG in respect of the 1st round of payments

RECOMMENDATION

3. That it be recommended to amend the WNF programme for 2010/11 to reflect underspending and that £57,938 be used to part-fund the costs of the acquisition of properties to secure development of Manchester Road Station.

4. That it be recommended to endorse the decision of Burnley Action Partnership (BAP) and approves the allocation of the remaining additional Performance Reward Grant allocation as follows:
   
   - £61,862 ring-fenced to the Manchester Road Railway Station development
   - £20,000 to support Burnley Community Network (BCN)/Burnley Pendle and Rossendale Council for Voluntary Services (CVS) for 2011/12

REASONS FOR RECOMMENDATION

5. To conclude the savings exercise commenced in June 2010 to identify reductions in the WNF and other programmes for 2010/11 to assist in funding key capital schemes.

6. To approve the allocation of the remaining additional PRG in respect of the 1st round of payments in accordance with the decision of the BAP Executive.
SUMMARY OF KEY POINTS

7. **Background**
   Members will recall that in my report to the Executive in June 2010 it was identified that savings of £303,000 to cover in-year reductions in Area-Based Grant (ABG) funding and a further £200,000 to compensate for the non-payment of the 2nd round of PRG funding needed to be made.

8. The £200,000 savings required to mitigate the loss of the 2nd round of PRG funding were needed to support capital spending on the key Princess Way Gateway and Manchester Road Station schemes.

9. In that report the savings to cover the £303,000 ABG reductions were outlined, but at that stage only £80,200 of the £200,000 savings required to mitigate the loss of the 2nd round of PRG funding (leaving a balance of £119,800 to find) had been secured. The effect of these savings totalling £383,200 was reflected in a reduced WNF programme together with associated reductions in the Community Cohesion and Preventing Violent Extremism programmes.

10. **Additional Round 1 PRG Funding**
    Burnley Borough Council has been informed, that in December 2010, the County Council submitted a further claim to DCLG for the balance of the 1st round of PRG. The claim was for the achievement of LAA targets, which had previously not been completed when the original 1st round claim was submitted in December 2009.

    The total value of the claim made by LCC was £6,762,471, of which 50% will be paid as PRG by the Government, should they approve the claim. As previously agreed, the £3,381,235 (50% of the £6,762,471) will be split – 60% to be shared equally amongst the 12 Districts and 40% to the Lancashire Partnership.

    As a result, each District Local Strategic Partnership will receive £169,062 once the claim has been approved and the Government have stated that they will pay successful claims by 31st March 2011.

    This payment will be paid directly to the County Council and will be passed onto the District Councils. It appears that there will still be a requirement to use 50% of the money received to fund capital spending and 50% to fund revenue spending, although it has previously been agreed by BAP Executive that it will be possible to mix funding sources as necessary with other projects to achieve the required split.

11. The Council has already approved an allocation of £87,200 of the additional £169,062 to support spending on PCSOs in 2011/12 and BAP Executive have now considered the use of the additional PRG and approved the remaining allocation to the following schemes:

    a) **Burnley Community Network (BCN)/Burnley Pendle and Rossendale Council for Voluntary Services (CVS)**
    At BAP Assembly there was support for the role of BCN in supporting the engagement and empowerment of communities and individuals in Burnley. In particular, BCN want to continue to support the information systems, development of and support for forums to engage in partnership with BAP and public agencies and democratic engagement of the sector. In addition, CVS could cover some aspects of the work of BCN, eg information system, management committee support, etc.
BCN had previously submitted a bid to the Big Lottery Fund but unfortunately this has not been successful. However based on recent announcements from the Government, there are potentially new funding streams that will become available.

As a result it has been recommended by BAP Executive that £20,000 of the additional 1\textsuperscript{st} round PRG be allocated in order to support BCN/CVS through its transition to a more focussed role and to securing external funding.

b) Manchester Road Rail Station development
As referred to in paragraph 8 above, BAP Executive had previously approved in-principle that the capital schemes at Princess Way and Manchester Road Station would receive a further £200,000 from the 2\textsuperscript{nd} round of PRG payments.

Good progress is now being made on bringing forward the Manchester Road Station project. Detailed discussions are underway with Lancashire County Council and bids for external funding support from both EU and UK Govt sources are being prepared for submission in the Spring. The Executive should note that the project is included within the current LTP3 consultation exercise. The bids will need to be supported by resources from both local authorities and positive progress is being made on this front. As a result, BAP Executive endorsed that the balance of £61,862 of the additional 1\textsuperscript{st} round PRG payment is allocated to the Manchester Road Rail Station development.

12. **Funding Key Capital Schemes from PRG and Programme Savings**
In June 2010 the WNF programme was reduced by £212,000 from £2,084,000 to £1,872,000 as part of the savings of £383,200 referred to in paragraph 9 above. The latest estimated outturn position on the reduced 2010/11 WNF programme shows a projected underspending of £143,018. Some elements of this will be carried forward to 2011/12 but it is estimated that £57,938 will be available to contribute towards the £200,000 savings required to mitigate the loss of the 2\textsuperscript{nd} round of PRG funding also referred to in paragraph 9 above.

13. The following table summarises the position in relation to the £200,000 savings target for the Princess Way Gateway and Manchester Road Station projects;

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>Savings approved June 2010</td>
<td>£80,200</td>
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<tr>
<td>Further savings in 2010/11 WNF programme</td>
<td>£57,938</td>
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<tr>
<td>Additional 1\textsuperscript{st} Round PRG (paragraph 10)</td>
<td>£61,862</td>
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<tr>
<td>Total savings/additional 1\textsuperscript{st} round PRG</td>
<td>£200,000</td>
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14. The current assumptions relating to the financing of capital spending on the Princess Way Gateway scheme include a requirement of £250,000 of PRG. This has been met by the use of £175,000 of the 1\textsuperscript{st} round of PRG funding and £75,000 from the £200,000 of savings/additional 1\textsuperscript{st} round PRG shown above.

15. The Manchester Road Station scheme requires funding to assist in covering the estimated acquisition costs of property to secure development of £200,000. This will partly be met by using the £125,000 balance of the savings/additional 1\textsuperscript{st} round PRG shown above. The remaining £75,000 will be met by the use of Housing Market Renewal grant in accordance with the decision by the Executive in December 2010.
### FINANCIAL IMPLICATIONS AND BUDGET PROVISION

16. As referred to in the body of the report.

### POLICY IMPLICATIONS

17. None

### DETAILS OF CONSULTATION

18. BAP Executive

### BACKGROUND PAPERS

19. Report to Executive 29th June 2010 – Reductions in Government Funding

### FURTHER INFORMATION

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<th>PLEASE CONTACT:</th>
<th>Phil Moore</th>
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