

## CHESHIRE EAST

# Advisory Panel – People

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Date of Meeting	8 <sup>th</sup> December, 2008
Report of:	John Weeks, Strategic Director (People)
Title:	<b>Area Based Grant</b>

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### **1.0 Purpose of the Report**

- 1.1 The purpose of this report is to update the Advisory Panel Members as requested at the meeting held on 27th October, 2008.

### **2.0 Decision Required**

- 2.1 Advisory Panel Members are requested to note the implications of the Area Base Grant and any potential budgetary consequences.

### **3.0 Financial Implications for Transition Costs**

None

### **4.0 Financial Implications, 2009/10 and Beyond**

- 4.1 The Area Based Grant relating to the Cheshire East People portfolios for 2009-10 is expected to be just under £21 million combining over 30 formerly separate funding streams. The individual allocations making up this sum are set out in Appendix 1. It is possible this list may change before final budgets are set for 2009-10 as final confirmation has not been received that all these grants will be paid as ABGs in 2009-10 and final decisions over which budgets will form part of the People portfolio are also still pending. The appendix also gives some indication of the extent to which this funding is already committed to ongoing services which would need to be decommissioned before alternative uses could be funded.
- 4.2 Appendix 2 sets out brief details of the sort of activities which were previously funded from the grants which have now been included in the Area Based Grant. In the majority of cases these activities remain the statutory responsibility of the local authority to deliver but the level of investment in each area is now at each LSP's discretion. The Communities of Cheshire Partnership (the LSP) has a responsibility for moving the LAA forward and, through the Governance Board, making decisions re: any re-allocation of resources between partners / across theme Blocks to meet those targets. To date there have been no changes to overall allocations which remain in line with the original grant streams.

### **5.0 Legal Implications**

None

## 6.0 Risk Assessment

- 6.1 The appendix shows that there could be almost £1.5m of uncommitted grant available for reallocation within Cheshire East. In reality however some of this is already committed – such as the £1m underspend on Supporting People. Expenditure against this grant has been managed down to ensure that when the grant reduces in subsequent years, there will be sufficient grant rolled forward to meet commitments. Some grants do not have committed allocations against them, such as Care Matters, however there will be Service implications in not fully spending the grants as originally allocated.

## 7.0 Background and Options

- 7.1 In 2005/06, Government introduced Local Area Agreement (LAA) grant, into which a number of specific grant funding streams were pooled and allocated as a single grant to upper tier authorities for the purposes of supporting the achievement of their LAA targets. LAA grant primarily acted as a means of capturing the wide range of area based funding streams, allowing for rationalisation of the administration and monitoring that surrounds those funding streams and increasing local flexibility over the use of funding. LAA grant has helped to enable local authorities, working with partners, to invest their resources in the most effective and efficient routes to delivering local priorities.
- 7.2 In 2008-09 the Government has introduced a new approach to allocating funding: -
- **General Grant (non ringfenced)** – providing funding for core services. The main item of general grant is formula grant (made up of Revenue Support Grant and national non-domestic rates) which is distributed amongst all authorities according to relative need as determined by formulae.
  - **Area Based Grant (non ringfenced)** – a general grant providing additional revenue funding to areas according to specific policy criteria. Local Strategic Partnerships are free to use the totality of their non-ringfenced funding as they see fit to support the delivery of local, regional and national priorities in their areas, including the achievement of LAA targets,
  - **Specific grants** – in some circumstances, particularly where a central Government Department wish to direct how funding is spent, it may choose not to include funding within Revenue

- Support Grant or Area Based Grant allocations. This funding frequently comes with conditions governing how it can be spent and what it should achieve but Government is increasingly moving away from this approach.

## **8.0 Area Based Grant**

- 8.1 Area Based Grant builds on the successes of LAA grant by further increasing local flexibility over the use of resources, and further reducing onerous reporting requirements. Unlike LAA grant, which was allocated for the purposes of supporting the achievement of LAA targets, Area Based Grant will be a non-ringfenced general grant. Local authorities and their partners will still be responsible for working towards delivering against the National Indicator Set and their LAA targets through the Local Strategic Partnership (LSP): the new performance framework provides a robust assessment regime to scrutinise progress against priorities, as well as how effectively authorities use their resources. It also provides a clear ladder of intervention and support to address cases of poor performance.
- 8.2 The Government has significantly increased local authorities' flexibility over the use of their mainstream resources by moving at least £5 billion into non-ringfenced general grants over the current CSR period. Over £4 billion will be moved into the new Area Based Grant (ABG) and nearly £1 billion moved into Revenue Support Grant (RSG). This will minimise the barriers to local authorities using their mainstream resources to support Local Area Agreement (LAA) priorities where they wish to do so. From April 2008, all general grants (RSG and ABG) have been allocated on a three year basis to maximise stability and certainty. Local authorities are expected to pass on the stability of their three-year financial settlements to the Third sector.
- 8.3 Ensuring that the new Area Based Grant is a non-ringfenced general grant simply maximises local flexibility over the use of resources to deliver local priorities effectively and efficiently. As a non-ringfenced general grant, there should be no restrictions on authorities' ability to carry forward Area Based Grant.

### ***For further information:***

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### ***Background Documents:***

*Documents are available for inspection at:*

## APPENDIX 1

### Agreed Disaggregation of Specific Revenue Grants (ABG)

Grants via ABG	2009-10	
	Cheshire East	
	Allocation	Committed
<b>Childrens Services</b>		
Connexions	2,490,745	2,490,745
Extended Schools - Start Up	918,350	918,350
School Development Grant (LA retained element)	416,150	228,433
Children's Fund	662,652	662,652
Care Matters	184,638	0
Secondary National Strategy: Central Co-ordination	150,189	144,761
School Improvement Partners	154,349	22,604
Primary National Strategy: Central Co-ordination	171,362	158,491
Secondary Behaviour and Attendance: Central Co-ordination	62,900	61,400
School Intervention	108,490	28,070
Teenage Pregnancy	91,500	91,500
Flexible 14 to 19 Partnerships Funding	100,280	62,000
Children's Social Care Workforce	69,263	69,263
Education Health Partnerships	69,260	69,260
Extended Rights for Free Travel	163,583	163,583
Positive Activities for Young People	307,925	307,925
School Travel Advisers	48,155	48,155
Child Death Review Processes	28,186	28,186
General Duty on Sustainable Travel To School	27,259	27,259
Choice Advisers	20,913	20,913
Child Trust Fund Top Up	3,841	3,841
ContactPoint (ABG wef 2010-11)	-	-
CAMHS (Children & adolescents Mental Health Service)	372,315	372,315
<b>Cheshire DAAT (Drug &amp; Alcohol action Team)*</b>		
Young People's Substance Misuse Grant	45,131	45,131
<b>Community Services</b>		
Adult Social Care workforce	812,909	829,000
Carers	1,340,863	1,357,000
Learning Disability Development Fund	225,078	235,000
Local Involvement Networks	126,360	129,000
Mental Capacity Act & IMCAS	174,243	179,000
Mental Health	760,000	870,000
Preserved Rights	1,134,000	1,134,000
Supporting People Admin.	235,515	275,497
Supporting People (core grant)*	9,128,934	8,125,000
Stronger Safer Communities Fund***	349,278	-
<b>TOTAL</b>	<b>20,954,616</b>	<b>19,158,335</b>

#### Notes

#### **\* Cheshire DAAT (Drug & Alcohol action Team)**

The grant shown under Cheshire DAAT in the table above is to be passported to Cheshire DAAT.

#### **\*\*\*Stronger Safer Communities Fund**

There is a total of £40,674 within this grant which relates to substance misuse and this is to be passported to Cheshire Drug & Alcohol Action Team

## APPENDIX 2

### A summary of Grants received via the Area Based Grant

<b>Childrens Services:</b>	
Connexions	To support the delivery of support services for young people aged 13-19 (up to age 25 for people with learning difficulties/disabilities)
Extended Schools – Start up	To assist schools in opening up facilities, out of hours, to pupils parents and the wider community
School Development Grant	To support improvements in teaching and learning in schools, leading to higher standards of attainment for every learner
Childrens Fund	To tackle disadvantage among children and young people. The programme aims to identify at an early stage children and young people at risk of social exclusion, and make sure they receive the help and support they need to achieve their potential
Care Matters	Seeking to achieve better outcomes for children in care and narrow the attainment gap with their peers., in accordance with ‘The Care Matters: Time for Change’ White Paper
Secondary National Strategy: Central Co-ordination	To support Local Authorities central coordination in delivering the next phase of the Secondary National Strategy, which aims to raise standards in the early years of secondary education by strengthening teaching and learning across the curriculum
School Improvement Partners	The management of the statutory School Improvement Partner functions, which will provide expert support to schools in their drive to raise standards and improve the education of all pupils
Primary National Strategy – Central Co-ordination	To support Local Authorities central coordination in delivering the next phase of the Primary National Strategy, which supports teachers and schools to raise standards across the whole curriculum
Secondary Behaviour and Attendance: Central Co-ordination	Integrating Behaviour & Attendance into the Secondary National Strategy
School Intervention	To enable prompt action to be taken to prevent school failure
Teenage Pregnancy	Meeting targets for reduced under 18 conception rates and improving outcomes for teenage parents and their children
Flexible 14-19 Partnerships Funding	To deliver the 14-19 reform programme, which aims to secure a curriculum which has sufficient flexibility, breadth and stretch to engage all young people, to offer them success, and to ensure that the wider community of parents, employers, trainers and higher education can have confidence in what they have

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	achieved
Children's Social Care Workforce	Replacing previous National Training Strategy and Human Resources Development grants. This is designed to support workforce development in the children's social care workforce in the statutory, private and voluntary sectors
Education Health Partnerships	Maintenance and development of local Healthy Schools programmes
Extended rights for free travel	The right to free school transport be extended to some pupils meeting certain criteria
Positive Activities for Young People	Diversionary and development activities to young people aged 8-19 at risk of community crime and social exclusion
School Travel Advisors	To help schools prepare and implement travel plans
Child Death Review Process	To Review all Child Deaths as this became mandatory after April 2008
General Duty on Sustainable Travel to School	To promote the use of sustainable travel and transport
Choice Advisors	To fulfil the duty to provide advice to all parents on choosing schools for their children
Child Trust Fund Top Up	The 'Care Matters: Time for Change' White Paper set out the Government's commitment to provide an extra £100 per year for the Child Trust Fund accounts of looked after children for every whole year they spend in care after 1 April 2007
ContactPoint (ABG wef 2010-11)	To provide funding to support local authorities to carry out key activities during ContactPoint database implementation, based on the current implementation plan.
CAMHS (Childrens and Adolescents Mental Health Services)	Mental health services to children and adolescents
<b>Cheshire DAAT (Drug and Alcohol action Team):</b>	
Young Persons Substance Misuse Grant	To enable local delivery of substance misuse, universal and targeted interventions with vulnerable young people
<b>Community Services:</b>	
Adult Social Care Workforce	Replacing previous National Training Strategy and Human Resources Development grants. This and is

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	designed to support workforce development in the Adults social care workforce in the statutory, private and voluntary sectors
Carers	Funding provided for Carers of both children and adults to provide services, including enhancing community services and for Carers to take breaks
Learning Disability Development Fund	To support local authorities in delivering the key outcomes for people with learning disabilities
Local Involvement Networks	Local authorities have a duty to make contractual arrangements for the involvement of people in the commissioning, provision and scrutiny of health services and social care services. The allocation provides for the procurement from a host for a LINK for each area
Mental Capacity Act and IMCAS	To train staff to understand the implications for the Mental Capacity Act. To fund the Independent Mental Advocate service. To fund increased social care costs. Resources to plan for the implementation of the Deprivation of Liberty Safeguards
Mental Health	Designed to assist local authorities in developments to support implementation of Mental Health National Service Framework and other Mental Health service developments
Preserved Rights	Replaces a benefit previously available to clients, which the Local Authority now pays directly to the care home on behalf of these clients
Supporting People Administration Grant	To administer the supporting people welfare grant
Supporting People (Core Grant)	To provide housing related support services, to enable vulnerable people to live independently and enjoy a quality of life
Stronger Safer Communities Fund	aimed at tackling crime, reducing the harm caused by illegal drugs, addressing anti-social behaviour, improving the poor condition of streets and other public spaces; in particular for deprived neighbourhoods where these issues are often more prevalent