

5Camden Local Strategic Partnership

Meeting	4 July 2008
Report Title	Camden's Local Area Agreement: 2007/8 financial report and arrangements for allocating underspend
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Purpose	This report presents the 2007/8 end of year financial report for the Local Area Agreement and sets out proposals for allocating the underspend.
Recommendations	The LSP is asked to: <ol style="list-style-type: none"> 1. Note the end of year financial report 2. Endorse the proposals for allocating the underspend to be approved by the Council's Executive

1 Introduction

- 1.1 This report is split into two sections. The first section presents the LAA financial report for 2007/8 including the underspend. The second section sets out proposals for allocating that underspend to projects in 2008/9.

2 End of year finance report for 2007/8

- 2.1 The 2007/8 revenue outturn across all LAA themes was £11.45m from a total budget of £12.04m. This means that 95% of the budget was spent, leaving an underspend of £586,417. There was also a small underspend of £15,470 from the capital budget. Table 1 provides an overview of the budget.

	Revenue	Capital
2007/8 allocation from government	£11,667,993	£508,955
2006/7 underspend brought forward	£372,991	£0
2007/8 total budget available	£12,040,984	£508,955
2007/8 outturn	£11,454,567	£493,485
2007/8 underspend	£586,417	£15,470

Table 1 Overview of 2007/8 LAA budget

- 2.2 Table 2 provides a breakdown of revenue budget and outturn by LAA theme. Choosing Health funding was administered by the PCT so was not included in the council's LAA account. However it was fully spent.

LAA Theme Element	Revenue budget	Revenue Outturn	Underspend
Children and Young People	£5,112,171	£4,914,845	£197,326

Economic Development and Enterprise	£1,243,295	£1,242,409	£886
Healthier Communities (NRF and SSCF)	£739,612	£770,769	-£31,157
Healthier Communities (Choosing Health)	£413,024	£413,024	£0
Older People	£418,990	£418,612	£378
Safer Communities	£1,528,304	£1,487,618	£40,686
Stronger Communities	£1,026,467	£890,991	£135,476
Other	£1,972,145	£1,729,323	£242,822
Subtotal	£12,454,008	£11,867,591	£586,417
Total administered by council	£12,040,984	£11,454,567	£586,417

Table 2 2007/8 LAA revenue budget by theme

- 2.3 The largest single area of underspend is under Other funding. The vast majority of this (£238,000) is accounted for by underspend in LAA support, as predicted in the Quarter 3 Financial Report the LSP received at its 27 March meeting. There were also smaller underspends for Neighbourhood Partnership Support (£42,000) and Children and Young People's Community Fund (£13,000).
- 2.4 The LAA contained a small capital budget, the majority of which formed the Waste Performance Efficiency Grant with smaller sums in the Safer theme.

3 Arrangements for allocating 2007/8 underspend

- 3.1 The government has relaxed its rules which allow only 5% of funding to be carried forward into the next financial year. Therefore all £586,417 can be used in 2008/9 (although in fact it roughly equates to 5% anyway). However the £15,470 capital balance must be repaid to government.
- 3.2 It is recommended that some of the underspend be used for two projects – Communities for Health (£100,000) and the Social Capital Survey (£38,780) – on the basis that this funding was committed in year although not actually spent before 31 March 2008.
- 3.3 The LAA Steering Group was disbanded earlier this year. As agreed at the 8 May LSP meeting, an existing council group, the Planning and Performance Group (PPG) has been extended to include partners and has responsibility for the day-to-day delivery of the LAA. It is effectively a successor body to the LAA Steering Group. Accordingly, it considered the underspend issue at its first meeting on 16 June and has made some recommendations to the LSP on how it might be best allocated.
- 3.4 It recommends the following criteria to allocate funding, in descending order of priority. The guiding principle is that allocation of the underspend will focus on delivery of the new LAA targets and can be expected to make a tangible difference over the next year. Officers were

also conscious that the underspend allocation needs to have a clear exit strategy. The detailed prioritisation is set out below.

- 3.5 Priority 1 - any targets not met in the 2007/8 LAA that remain a priority service area for improvement in the new LAA 2008-11 *and* additional funding will make a tangible difference to delivery of the new LAA target.
- 3.6 Three targets fell into this category:
- Reducing the number of first time entrants to the youth justice system, as recorded by the police (NI 111 in the new LAA). However the Extended PPG were informed that additional funding would not make a noticeable difference in this area.
 - Increasing percentage of residents with qualifications (NI 161, NI 162, Local Indicator E)¹
 - Reducing mortality rates (NI 120)²
- 3.7 Priority 2 - any target not met in the 2007/8 LAA that relates to the Local Public Service Agreement (LPSA)³ where additional funding will make a tangible difference to meeting the final LPSA target for 2008/9.
- 3.8 Two targets fell into this category:
- Reducing the number of conceptions to under 18 year olds per 1,000 females aged 15-17 calculated on a calendar year basis (LPSA target 2)
 - The number of lone parents not engaged in an alternative employment scheme that are helped into sustained employment as a direct result of local authority intervention (LPSA target 13, NI 152, NI 153)
- 3.9 Priority 3 - any targets not met in the 2007/8 LAA that could be delivered in 2008/9 with the support of additional funding. Three targets fell into this category⁴:
- Percentage annual increase in the number of schools with an approved school travel plan (to meet Mayor's target by March 2009 although not in new LAA)
 - Reducing percentage of mothers reducing smoking during pregnancy (NI 123)
 - Total number of notifiable offences in Camden Town (Local Indicator A2)

¹ The focus in the previous LAA was on reducing percentage of residents without qualifications and increase in percentage with NVQ2 and above. The focus of the new LAA is on a similar local indicator plus two national indicators on literacy and numeracy

² The previous LAA focussed on cancer but has been widened to all-age/all cause mortality in the new LAA.

³ Through its LPSA with central government, Camden Council has undertaken to meet 34 stretch targets by March 2009 all relating to children and young people. If successful, it will receive over £8m in performance reward grant.

⁴ A further two targets relating to obesity and the number of placements for looked after children were not included, the former because the indicator proved to be unreliable, the latter because a decrease in the total number of looked after children has meant it is no longer a suitable target.

- 3.10 Priority 4 - any indicator in the 2008/9-2010/11 LAA where additional funding would help deliver the new targets. Given the timescale for using the underspend during 2008/09, the Extended PPG did not envisage that the underspend would be used in this area.
- 3.11 The Extended PPG decided that there should be a bidding process for the underspend but that it should be kept as simple as possible. It was agreed that members wishing to bid for funding would complete a brief form indicating how their bid would meet the above criteria.
- 3.12 Bids were received from the across the council and from several LSP partners. In addition to the pre-committed spending for Communities for Health and the Social Capital Survey, the proposal is that seven projects are recommended to the Executive. Only one bid did not meet any of the four priorities and was rejected.
- 3.13 Broadly speaking, the underspend is directed towards projects tackling worklessness (pending a more detailed breakdown of how the money would be spent) and young people (including youth provision). Table 3 summarises the proposals.
- 3.14 The LSP are asked to endorse these recommendations bearing in mind that they also require the approval of the council's Executive as they relate to council-administered budgets. The Executive will consider them at its meeting on 23 July.

Project	Rationale (how project meets allocation criteria)	Value of bid	Comment
Additional funding for Camden Working and King's Cross Working advice, training and job brokerage services (LBC)	Priority 1 – increasing percentage of residents with qualifications	£213,695	Balance of underspend (after all other projects have been funded) awarded provided a more detailed breakdown is produced and sustainability of funding is confirmed
Worker to supervise young people on reparation placements (LBC)	Priority 1 - reducing the number of first time entrants to the youth justice system	£50,000	Granted provided post is sustainable after 2008/9
Camden Activity Zone – communications activities to promote the use of this online directory of positive activities for young people (LBC)	Priority 1 - reducing the number of first time entrants to the youth justice system	£20,000	
Communities for Health – building capacity in communities to help themselves to manage their own conditions (LBC)	Priority 1 - reducing mortality rates	£100,000	
Sexual Health Peer Education Project targeting Bangladeshi and Somali young people (Voluntary Action Camden)	Priority 2 - Reducing the number of conceptions to under 18 year olds	£26,442	
Lone parents projects – four series of events designed to encourage lone parents into work (Job Centre Plus)	Priority 2 - Number of lone parents helped into sustained employment	£47,500	£3,000 for employer breakfasts will only be granted if it can be shown that it is appropriate to a business audience
School Travel Plans – funding for two posts to meet Mayor's target of 100% of schools with travel plans by March 2009 (LBC)	Priority 3 - Increase in number of schools with an approved school travel plan	£65,000	
Third party race hate crime reporting (Camden BME Alliance)	Priority 4 - Contributes to NI 1, for Local Indicator H and all community safety indicators	£25,000	
Social Capital Survey – requires funding to complete work started in 2007/8 (LBC)	Priority 4 - Evidence base for Local Indicator H (social cohesion) in new LAA	£38,780	
	Total	£586, 417	

Table 3 Proposed allocation of LAA underspend