

**Kensington and Chelsea Partnership
Steering Group**

January 14th 2009

Making use of LAA1 Performance Reward Grant

This paper invites the KCP to consider what use it wishes to make of the anticipated £2.6 million that it will receive as its share of the performance reward grant for achieving LAA1 targets.

For discussion

1. Introduction

1.1. Performance against targets in the first LAA (which ends in March 2009) suggests that Kensington and Chelsea may receive some £5.2 million in LAA1 Performance Reward Grant, paid in two instalments – one in the 2009/10 financial year, and the other in 2010/11.

1.2. Under arrangements agreed when the LAA was signed, 50% of the PRG received in relation to a particular target will be allocated to the organisation that led on its delivery and 50% will be available to the KCP for investment in future activities. The KCP can therefore expect to have a total of some £2.6 million at its disposal.

1.3. The Steering Group will wish to consider how best to make use of this money. Two specific options are considered below:

- Supporting the achievement of the “designated targets” contained in “Delivering for Our Community”
- Supporting the Voluntary Organisations Forums by rolling over the funds received for this purpose by the Social Council under LAA1.

2. Supporting the delivery of “designated targets” in Delivering for Our Community

2.1. “Delivering for Our Community” will contain a set of national and local indicators that measure progress towards the aims and objectives in the new community strategy. Achievement of the designated targets in D4C (i.e. those agreed with Government last year) will attract Performance Reward Grant (PRG). The amount of PRG received will be determined by the proportion of designated targets achieved. No pump-priming grant is available from Government to assist in delivering these targets.

2.2. One option would be to invest the KCP's LAA1 PRG in the achievement of the designated targets in D4C. This approach (which mirrors

the use of LPSA reward grant to deliver LAA1 targets) would help to maximise the amount of PRG received for the achievement of these targets.

2.3. Possible mechanisms for allocating funds for this purpose include:

- Inviting organisations leading on the delivery of designated targets to submit requests for additional funding. These requests would need to demonstrate that the extra investment was necessary to secure the achievement of the targets in question. In order to strengthen partnership working, priority might be given to requests that involved joint work across one or more organisations or sectors involved in the Partnership. Requests could be considered by a sub-group, which would then make recommendations to the KCP Steering Group.
- Introducing a grants programme to support activity that would help to achieve designated targets. Again, grant applications could be considered by a sub-group with recommendations being put to the full Steering Group for endorsement.
- Establishing a sub-group to identify and commission work that would assist in the delivery of designated targets that might otherwise not be achieved.

2.4. Option (a) mirrors the approach taken in LAA1, which appears to have worked well. Option (b) is a more open process. It would make greater demands on the Steering Group in terms of identifying and prioritising bids that would contribute most to the achievement of the designated targets. Option (c) gives the KCP the greatest degree of control, but also places greater responsibility on the Partnership to identify and specify the type of work that is needed in order to deliver designated targets. Each of these options would place some burden on the Partnership's officer resources – (a) would probably be the least burdensome, followed by (b) and then (c).

3. Supporting the work on the VOFs

3.1. In order to support the delivery of community engagement targets in LAA1 the Partnership allocated £40k per year to the Social Council to provide dedicated officer support to co-ordinate and strengthen the Voluntary Organisations Forum. Funding to support this post end in March 2009. A case for continuing this funding, using LAA1 PRG, is at Annex A.

4. Other options

4.1. The options above are not exclusive. Funding could be allocated to the VOF post with the remainder allocated for the delivery of D4C designated targets. Decisions on whether to pursue these options need to be taken now, however: the designated targets have to be achieved by the end of the 2010/11 financial year; the VOF work requires continuity of funding if the momentum built up over the last two years is not to be lost.

4.2. Alternatively, the Steering Group might decide to reject both of these proposals and to consider other possibilities.

5. Conclusion

5.2. The Steering Group is invited to discuss what use it wishes to make of the anticipated £2.6 million of LAA1 PRG and in particular to decide whether

(a) Some or all of the funding should be allocated to support the achievement of designated targets in D4C, and if so which of the funding mechanisms described in paragraph 2.3 the Steering Group prefers;

(b) £42,000 of the funding should be allocated now in order to continue the support provided by the Social Council to the VOFs.

5.3. Detailed work in relation to the Steering Group's decisions can be taken forward by the Community Strategy Sub-Group.

For decision

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