

KENSINGTON AND CHELSEA PARTNERSHIP
NEIGHBOURHOOD RENEWAL FUND
REPORT ON YEAR 4 EXPENDITURE AND RECOMMENDATIONS FOR
YEAR 5 PROGRAMME

26th January 2005

This paper:

Updates the KCP on NRF Year 4 expenditure (2004/05) as at 31st December 04, and makes recommendations for the Year 5 (2005/06) programme.

This paper:

Recommends the KCP to:

- Approve the Race Equality Partnership and Environmental Improvements Projects for potential carry forward of grant from 2004/05 underspends.
- Approve a Year 5 grant to Nova New Opportunities for £20,000 from the funds already ear-marked for work-related training.
- Agree to have a further discussion at the next KCP meeting regarding any potential over-programming for Year 5.

FOR DECISION

1. Background

- 1.1 On 28 January 2004, the KCP agreed a programme for NRF in Years 4 and 5 (2004/05 and 2005/06). The KCP agreed further allocations of grant at its meeting on 7 July 2004.

2. Year 4 Programme (2004/2005)

- 2.1 The attached table (Appendix 1) shows the allocation for each target area for year 4, expenditure to date as at 31st December 2004 and a forecast for spend until 31st March 2005.

- 2.2 With regard to carry-forward into 2005/06 of any unspent funds, GOL are indicating an allowance of 5%. Officers are forecasting a Year 4 spend of £1,101,490 against a grant of £1,129,667. This indicates an underspend of only 2.49%. It is proposed that any carry over of grant be allocated to the Race Equality Partnership and the Environmental Improvements Project. The reasons for this proposal are as follows:
- 2.2.1 Race Equality Partnership - The spend on this project has been adversely affected by difficulties with office space and staff recruitment problems. The project has no NRF funding in place for Year 5.
- 2.2.2 Environmental Improvements - The spend on this project has also been affected by staff recruitment and the need to second staff to cover work. In addition work has not yet started on a key project – Ladbroke Grove Bridge – which was identified as a priority by the KCP and this underspend could be ring-fenced specifically to progress this.
- 2.3 The KCP will be invited to decide on the exact allocation between the two projects at its meeting in March, once the level of available underspend can be more accurately predicted.
- 2.4 As the end of year approaches, it may be that the underspend for Year 4 looks as if it will exceed the permitted level of carry-forward. Officers will only be in a position to judge this a little later in the year, as they see if projects' actual spend is in line with their projections. If necessary, officers will utilise the agreed "reserve" project (Target Hardening) to mop up any money that would otherwise be lost.

3. Year 5 Programme (2005/06)

- 3.1 At present, there is an agreed programme totalling £1,100,000 for Year 5, and an actual grant allocation of £1,080,670. If the KCP wishes to build in over-programming at the 10% level (as in Year 4), that would require agreeing to further project spend of £88,737.
- 3.2 The KCP agreed an allocation of £30,000 in the Year 5 programme to support work-based training, with the expectation that this would be utilised by either Women's Education in Building (WEB) or NOVA. As WEB went into liquidation, officers are proposing that NOVA's grant is renewed for year 5 at the existing level of £20,000. NOVA have now supported 200 trainees with their NRF grant, the grant is spent according to schedule and reports are made promptly and thoroughly. That would free up a further £10,000 for allocation in Year 5.

- 3.3 In Year 4, over-programming was agreed at approximately 10% and on current forecasts appears to be realistic . However in Year 4, many projects got off to a slow start because of issues such as recruitment of staff. Arguably this will not be an issue in year 5 as staff are in place so a lower level of under-spend may arise. This could indicate that a lower level of over-programming may be prudent. However the last year of a programme also presents its own issues such as staff leaving early before contracts end. In addition, if this is the last year of NRF funding for RBKC, then there is no availability for carry over which requires a tighter programme spend.
- 3.4 If the decision is taken to keep over-programming at 10% and to recycle the spare £10,000 previously set aside for training, then the KCP would need to allocate the remaining £98,737. Suggestions for this are to invest in existing work or to commission work that fits with emerging KCP priorities. It is proposed that a further discussion regarding the potential over-programming requirement for Year 5 is had at the next KCP meeting on 16th March 2005. At that time, further detail regarding actual Year 4 spend will be available that will help inform any decision to be made.

4. Years 6 and 7 (2006/07 and 2007/08)

- 4.1 Central government has issued further information regarding NRF for years 6 and 7 (2006/07 and 2007/08). Consultation is now underway regarding the allocation of these funds and a final announcement will be made in April 2005. Of the examples given of how funds could be allocated, none indicates that RBKC would be eligible for NRF funding past 31st March 2006. A paper proposing a response to the consultation is elsewhere on the agenda.

5. Conclusions and recommendations.

- 5.1 The NRF Programme for Year 4 has made a significant contribution to addressing disadvantage in some of the most deprived areas in the borough. The high level of spend to date is a good indication that funds are being directed towards addressing the priorities identified in the Neighbourhood Renewal Strategy.
- 5.2 The KCP is therefore recommended to:
- Approve the Race Equality Partnership and Environmental Improvements Projects for potential carry forward.
 - Approve a Year 5 grant to Nova New Opportunities for £20,000 from the funds already ear-marked for work-related training.
 - Agree to have a further discussion at the next KCP meeting regarding the potential over-programming requirement for year 5.

FOR DECISION

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Background Papers used in the Preparation of this Report:

Quarter 3 thematic return 2004/05 ; KCP reports 28/1/04 and 7/7/04