

ONE NOTTINGHAM BOARD

Title of Paper: **Working Neighbourhoods Fund and Area Based Grant
- Funding Savings Proposals**

Date: **24th September 2010**

1. Purpose:

This report covers the Working Neighbourhoods Fund (WNF) and Area Based Grant (ABG) reductions requested by the July Nottingham City Council Executive and noted at the July One Nottingham Board Meeting.

2. Recommendations:

The Board is asked to
2.1 Agree the additional saving of £1.174million to the WNF Programme.
2.2 Note the additional savings to ABG of £0.776k.

The savings proposals contained within the report will be recommended to the next Nottingham City Council (NCC) Executive Board. The savings proposals from the Carers – Adults funding stream and the Children's and Families' details of the additional savings of £112k required to be delivered to achieve the in-year grant funding cut to be submitted to the next NCC Executive Board meeting.

3. Background:

At the last One Nottingham Board, the Government's required cuts of £1.217million were agreed. The Board also noted that the City Council requested a further saving of £1.259 million from the WNF programme. Due to a small adjustment of £15,000 and the additional saving of £100,000 from the Personalised Learning Plans in Family Nottingham this target is now £1,174,000.

Furthermore, a review has been undertaken of projects funded from ABG with a target to deliver expenditure savings of 20% within 2010/11.

4. Proposals:

All of the Theme Partnerships, and City Council departments have been asked to look again at their activity in order to meet the target and have come back with a series of recommendations based on reviews or discussions within their own review groups or amongst key partners.

The starting point of this savings round was the quarterly monitoring exercise (which is included elsewhere on this Board meeting's agenda). The details of the new cuts and amendments to WNF are appended as Appendices 1 and 2.

Included in this report for information, are also the latest proposals to deliver savings from ABG. Details of the savings proposals are included in Appendix 3.

5. Implications for the Voluntary & Private Sectors:

- 5.1 The voluntary and community sector have been protected in this round of savings. There will be some projects which will lose funding as a result of a review of their activity resulting in a loss of funding to the sector as a small number of contracts will end early.
- 5.2 There is no specific identifiable impact on the private sector for these changes.

6. Financial Implications:

- 6.1 The loss of the WNF grant income has been offset by the July funding report. This paper achieves the total savings for WNF as indicated below:-

	£m	Comments
WNF allocation 2010/11	12.379	
Government reduction in-year	-1.217	
Savings proposed at Executive Board	-1.259	
20% saving required	-2.476	

Programme Details

Carried Forward under spend from 09/10	8.339
2010/11 Allocation original Allocation	12.379
	<u>20.718</u>
Current Programme if recommendations approved	18.267
Total reduction to programme	<u>2.451</u>

The above has been achieved as a result of the following

	£m	
Unallocated Balance at July Exec Board Report	0.552	Figure updated from July report
Savings Approved NCC Exec Board	0.749	Note Includes PLP
Subtotal	<u>1.301</u>	
Proposed September Reductions	<u>1.150</u>	
	<u>2.451</u>	

6.2	<p>The following table shows the distribution of ABG between departments:-</p> <table><tr><th>Department</th><th>ABG funding 10/11 £m</th><th>Government reduction £m</th><th>Further savings requested £m</th><th>Proposals £m</th></tr><tr><td>Children and Families</td><td>12.982</td><td>-2.793</td><td></td><td></td></tr><tr><td>Communities</td><td>7.097</td><td>-0.122</td><td>-1.297</td><td>0.721</td></tr><tr><td>Development</td><td>0.771</td><td>-0.185</td><td></td><td></td></tr><tr><td>Chief Executives</td><td>0.065</td><td>0</td><td>-0.013</td><td>0.055</td></tr><tr><td>Total</td><td>20.914</td><td>-3.100</td><td>-1.310</td><td>0.776</td></tr><tr><td>Shortfall</td><td></td><td></td><td></td><td>0.534</td></tr></table> <p>The table does not include Supporting people grant. Savings from this funding stream are being dealt with separately.</p>	Department	ABG funding 10/11 £m	Government reduction £m	Further savings requested £m	Proposals £m	Children and Families	12.982	-2.793			Communities	7.097	-0.122	-1.297	0.721	Development	0.771	-0.185			Chief Executives	0.065	0	-0.013	0.055	Total	20.914	-3.100	-1.310	0.776	Shortfall				0.534
Department	ABG funding 10/11 £m	Government reduction £m	Further savings requested £m	Proposals £m																																
Children and Families	12.982	-2.793																																		
Communities	7.097	-0.122	-1.297	0.721																																
Development	0.771	-0.185																																		
Chief Executives	0.065	0	-0.013	0.055																																
Total	20.914	-3.100	-1.310	0.776																																
Shortfall				0.534																																
6.3	<p>Details of the additional proposals are included in Appendix 3. The shortfall in the value of proposals as against the 20% target is as a result of the following:-</p> <p>Carers – Adults – Savings proposals have not yet been finalised for this funding stream.</p> <p>Preserved Rights – Savings cannot be identified from this funding stream. This grant is linked directly to the cost of care of specific people who were in care when funding arrangements changed in 2002/03. The actual cost of the care packages for these people is significantly more than the grant.</p>																																			
6.4	<p>The report to the NCC Executive Board and the ON Board in July identified savings proposals of £2.666m in respect of the in-year cut of £2.778m required as a result of the cut implemented by the Department for Education. Further savings of £112k are required to be identified by Children's and families to manage the in-year reduction in grant.</p>																																			

7. Contact Details:

Nigel Cooke
 Director – One Nottingham Tel: 0115 91 50300
 Email: nigel.cooke@onenottingham.org.uk

Appendix 1 2010/12 WNF Programme Detail

Summary

Theme Allocations	2010/11 Original Allocation	2011/12 Original Allocation	July Executive Board Approved reductions	Revised July Approval 2010/11 (no change to 2011/12)	Total additional savings to be approved by ON Board - See Appendix 2	September 2010/11 Proposed Approval and 2010/11 Forecast Outturn	September Proposed Approval 2011/12	2010/12 Forecast Outturn
Working Nottingham	10,795,138	1,232,657	-225,000	10,570,138	-530,763	10,158,919	1,113,113	11,272,032
Healthy Nottingham	106,555	0	0	106,555	-36,400	70,155	0	70,155
Family Nottingham	2,047,497	0	-100,000	1,947,497	-32,000	1,898,497	17,000	1,915,497
Neighbourhood Nottingham	1,531,150	0	-140,000	1,391,150	-1,930	1,389,220	0	1,389,220
Safer Nottingham	1,276,000	0	0	1,276,000	-212,188	1,063,812	0	1,063,812
Early Intervention	1,518,507	0	0	1,518,507	-324,906	1,193,601	0	1,193,601
Infrastructure and Theme Partnership Support	1,658,126	0	-284,000	1,374,126	-11,444	1,362,682	0	1,362,682
Total Theme Allocations	18,932,973	1,232,657	-749,000	18,183,973	-1,149,631	17,136,886	1,130,113	18,266,999
			Note - this does not include the unallocated balance	2010 to 2011 Funding * Balance				19,501,099
								1,234,100
Available Funding	2010-12							
Carried Forward under spend from 2009/10	8,339,117							
2010/11 Allocation	12,378,913							
2010/11 Reduction	-1,216,931							
2010 to 2011 Available Funding	19,501,099							

Appendix 2 **Details of Proposed changes to July Approved Programme**

Working Nottingham [WNF]

Ref	Title	2010/11 Proposed Change	2011/12 Proposed Change	Comments
DAF-003	Back on Track [IEAS]	-£179,159	-£72,000	It is proposed to reduce the overall allocation for this project by £251,159. This is based on an underspend in quarter 1 and savings on the remainder of the project as a result of lower than anticipated referrals and a subsequent reduction in the level of staff required.
WNF-428	Neighbourhood Learning and Employment Co-ordinators	-£55,000	£0	An underspend of £55,000 on this project has been transferred to support FJF overspend.
WNF-424	Futurestore (Retail Skills Shop)	-£47,000	£0	An underspend of £47,000 on this project has been transferred to support FJF overspend.
WNF-426	Employment Based Capital Training	-£195,906	£195,906	This project had been delayed due to a hold on entering into new contracts whilst the impact of government funding cuts was made. All elements of the project are now progressing. This has resulted in reprofiling of some of the allocation from 2010/11 to 2011/12.
WNF-421	One Nottingham Money Advice Project	-£71,154	£0	It is proposed to reduce the approval for this project by £71,154 due to identified savings and underspend. This will not impact on the delivery of front line advice services.
WNF-437	Future Jobs Fund Programme	£363,450	£36,550	The approval for the FJF has been increased by £363,450 by transferring savings from WNF428, WNF424 and WNF436. This should minimise any impact of changes to government funding for the FJF and support trainees until the end of their placements. Depending upon future attrition rates, the overall FJF allocation may reduce as the programme nears completion.
WNF-439	Corporate Apprentices	£350,000	£0	An additional allocation of £350,000 is required for this project in order to meet increased costs as a result of changes to other elements of funding. This has been achieved by using a proportion of the unallocated balance within the Nottingham Jobs Plan.
WNF-436	Benefits to Enterprise	-£261,450	£0	Funding required for this project has been reduced by £261,450 as a result of the Jobs Subsidy Project no longer going ahead as this will impact on individuals' benefit entitlements and does not have the support of Jobcentre Plus. The saving has been transferred to support the FJF.
	Nottingham Jobs Plan - Unallocated Balance	-£315,000	-£280,000	This unallocated balance was the result of the decision made in July 2010 not to proceed with the Partners Apprenticeship Scheme. A proportion of the funding has been used to balance other elements of the Nottingham Jobs Plan. The remainder, £208,450 is proposed to be offered as a saving.

	-£411,219	-£119,544
Total	-£530,763	

Healthy Nottingham [WNF]

Ref	Title	2010/11 Change	2011/12 Change	
WNF-427	Smoke Free Brief Intervention Training	-£36,400	£0	The original proposal to provide training to front line workers was not able to proceed and a revised proposal has now been received from the PCT. This requires a reduced allocation and therefore produces a saving of £36,400 against the original approval.
	Total	-£36,400		

Family Nottingham [WNF]

Ref	Title	2010/11 Change	2011/12 Change	
NRF\358	Aspirations	-£5,000	£0	Reduced approval as a result of highlighted saving.
NRF\360	Family Intervention Project – Parenting Programmes	-£17,000	£0	Reduced approval as a result of highlighted saving.
NRF\379	Connexions - NEET Avoidance	-£10,000	£0	Reduced approval as a result of highlighted saving.
WNF-414	Improving Physical Activity for Children	-£17,000	+£17,000	It is proposed to carry forward £17,000 of the allocation for this project to enable activity to take place during the Easter holidays.
		-£49,000	+£17,000	
	Total	-£32,000		

Neighbourhood Nottingham [WNF]

Ref	Title	2010/11 Change	2011/12 Change	
WNF-413	Local Empowerment and Cohesion	-£1,930	£0	Reduced approval due to underspend in quarter 1.
	Total	-£1,930		

Safer Nottingham [WNF]

Ref	Title	2010/11 Change	2011/12 Change	
CDP0910\	[CDP] Safe Passage	-£90,000	£0	Following a review by the CDP, notice is to be given on 1st October to terminate contracts on the 31st December 2010 resulting in £75,000 savings. Underspend in Q1 and 2 has also identified additional savings of £15,000.
	[CDP] Perceptions of Drug Dealing and Drug Use	-£70,000	£0	Following a review by the CDP, savings of £70,000 have been identified against this project.
	[CDP] Integrated Offender Management	-£48,800	£0	Savings of £18,800 have been identified against this project following a review by the CDP. In addition there has been an underspend of £30,000 from the first 6 months of 2010/11.
	[CDP] Supporting Communities [2008/09]	-£3,388	£0	A final audit adjustment payment has now been agreed resulting in a saving.
		-£212,188	£0	
	Total	-£212,188		

Early Intervention [WNF]

Ref	Title	2010/11 Change	2011/12 Change	
NRF\399	Early Intervention Infrastructure	-£26,000	£0	Savings of £26,000 have been identified against this allocation.
	[CDP] Drug Aware Award	-£74,400	£0	A reduced approval is proposed, as a result of a combination of 20% savings being identified and the early termination of one scheme. In addition there has been underspend during the first six months of 2010/11.
	[CDP] Mentoring Scheme	-£95,082	£0	Following a review by the CDP, notice is to be given on 1st October to terminate contracts on the 31st December 2010 resulting in £74,950 savings. Underspend in Q1 and 2 has also identified additional savings of £20,132. The project is behind on its projected targets and had received a poor evaluation; it was therefore felt that it no longer represented value for money.
	[CDP] Young Citizens	-£18,100	£0	Following a review by the CDP, notice is to be given on 1st October to terminate this contract on the 31st December 2010 resulting in £16,500 savings. Underspend in Q1 and 2 has also identified additional savings of £1,600. This project was designed as a pilot, which will evolve into a sold service to schools from the provider.
WNF-419a	[TCP] RTP - Intelligence Analyst	-£30,000	£0	Activity on this project has stopped earlier than anticipated due to the complexity of collating data from multiple organisations. Further work will take place through the Workforce Development workstream, releasing a

				saving of £30,000.
WNF-410	[TCP] Reaching Higher for Young People in Care	-£54,365	£0	This project has undergone a review and a revised delivery proposal has been agreed. This has resulted in savings of £54,365 savings being generated.
WNF-412	[TCP] Family Welfare - Persistent Absence Reduction	-£9,000	£0	Savings of approximately 22% have been identified against this project.
WNF-417	[TCP] 11 - 16 Life Skills	-£20,000	£0	Savings of approximately 20% have been identified against this project.
WNF-429	[TCP] Insight and Evaluation Analysts	+£2,041	£0	Additional funding was agreed by the One Nottingham Chief Executive to enable the continued employment of an Insight and Evaluation Data Analyst for a further quarter.
		-£324,906	£0	
Total		-£324,906		

Infrastructure and Theme Partnership Support [WNF]

Ref	Title	2010/11 Change	2011/12 Change	
NRF\272	Nottingham Insight [Shared Intelligence]	-£11,444	£0	Reduced approval due to underspend in Q1.
		-£11,444	£0	
Total		-£11,444		
		-£1,149,631		

Appendix 3**Details of Proposed changes to July Approved Programme – Area Based Grant**

Title	2010/11 Proposed Change £m	Comments
Adult Social Care Workforce	0.178	<p>To be met by reductions across a range of Workforce Development and Workforce Planning activities. Most of these reductions will have limited potential impact on the quality of service/support to customers as a result of proactive budget and vacancy management by the service head. Proposed savings will in the main be achieved by deletion of vacant/fixed-term posts and planned reductions in relation to lower priority areas. However, one element of this saving proposal which has a potential service impact (described below) is a proposed reduction in funding levels to the Nottinghamshire Social Care partnership.</p> <ul style="list-style-type: none"> • Reductions in workforce planning budgets (delete 1.5 vacant posts, delete training credits, remove golden handshakes) - £73k • Reductions in workforce development unit budgets (unallocated grant, end trainee social worker scheme) - £97k • Reduction (12%) in contribution to Nottinghamshire Social Care Partnership - £8k
Carers-Adults	0	Proposals have yet to be developed to deliver savings from this funding stream
Learning and Disability Development Fund (formerly paid to PCT)	0.071	Owing to current vacancy control processes 2 posts are currently vacant and subject to the redeployment process. I have taken steps to withdraw these posts in order to deliver 20% in year savings. Partnership Board Officer (£45,000), Employment Worker (£24,665), Unallocated budget (£1,230).
Mental Capacity Act & IMCAS Mental Health Preserved Rights	0.039 0.250 Nil	<p>Discontinue joint training through joint agreement of the MCA LIN and Adult safeguarding Board. Discontinue joint post</p> <p>Support Older People with dementia in the North of the City at Cherry Trees Day Centre (£27k). The service of an Occupational Therapist and a Nurse who support the specialist dementia services based at Long Meadow and Nuffield House would be cut (£97k). An employment coordinator and a small amount of admin support would be deleted (£42k). It would directly impact on LAA NI150 – people in contact with secondary mental health services who are in employment. The balance (£83k) would come from a review of grants given from this funding.</p> <p>This grant is linked directly to the cost of care of specific people who were in care when funding arrangements changed in 2002/03. The actual cost of the care packages for these people is significantly more than the grant.</p> <p>Fully committed and supports 169 people in residential and nursing settings. This is a long standing Government commitment to fund specific, named clients until their death. The ABG funding is already £1.2 million lower than the actual cost of care and so a reduction in funding would simply transfer the cost to the General Fund</p>

Title	2010/11 Proposed Change £m	Comments
Cohesion	0.011	This is a Govt in year reduction. £11,400 represents additional reduction over and above this.
Local Involvement Networks	0.036	Saving from recommissioning service produces a saving of £28,900. The balance of £7,550 would be found in 2010/11 from an under spend on the current contract.
Stronger Safer Communities	0.026	The strategy of the CDP will be to amalgamate its funding from ABG and WNF in order to make more strategic decisions about the reductions. The Crime and Drugs Partnership Board has considered proposals to reduce funding to projects as a result of this reduction in funding.
Preventing Violent Extremism	0.032	A revised strategy has been developed which reduces the required funding by £98k. The Govt in year reduction is £66k and the £32k represents additional reduction over and above this.
Detrunking	0.078	Reduction in the highways maintenance budget of £45k will reduce the amount of funding available to undertake routine highways maintenance. This should be viewed in the context of additional demand for repairs as a result of the impact on the highways of the bad weather last winter. Reduction in the highways, verges and trees budget by £10k reduces the level of service that can be provided. A reduction in the funds available for the street lighting project of £23k which will be required to be replaced from alternative funding streams.
Total Communities	0.721	
Title	2010/11 Proposed Change £m	Comments

Economic Assessment Duty	0.055	Project has been delivered with in-house resources.
Total Chief Executive's	0.055	
Total additional proposals	0.776	