

29th July 2010

Government Reduction in PRG: Notification of revised allocations to partners

On 7th July we jointly wrote to all 122 members of the Essex Partnership Forum asking for views on a number of proposals for managing the reduction in Performance Reward Grant (PRG). The revised total PRG we will receive from the Government is £13.374m, a 50% reduction on what we were anticipating.

After careful consideration of the responses, we have come to the conclusions shown in Appendix 1. A summary of the responses to the proposals is provided in Appendix 2, with full details available to partners on request.

A revised allocation of PRG can now be calculated for each partnership.

Before and since the distribution of the consultation letter, the Essex Partnership Secretariat has collected information from partners about the costs to date of PRG funded projects and the costs of immediately closing down Thematic Partnership activity. This information has been used to develop the final revised allocations.

Thematic Partnerships

The table below sets out new allocations for each Thematic Partnership, covering costs for 2009/10 and 2010/11, together with any irretrievable close-down costs and further allocations in accordance with the agreed priorities as shown in Appendix 1.

Thematic partnership	Original allocation	New allocation	% of original allocation
Sustainable Essex	£2,449,815	£843,648	34%
Safer Essex	£1,153,069	£575,784	50%
2012/LOPGS	£891,102	£253,052	28%
Essex Economic Board	£6,565,511	£3,445,526	52%
Children’s Trust Board	£1,987,507	£874,639	44%
Community Wellbeing & Older People	£1,050,747	£454,649	43%
	£14,097,751	£6,447,298	46%

Local Strategic Partnerships

Reductions in Thematic Partnership allocations to an average level of 46% enables the Partnership to fund LSPs above the 50% level previously indicated. The revised allocation for all LSPs is 55% of their original allocation, and the table below shows what this means for each LSP.

District LSP	Original allocation	Revised allocation
Basildon	£892,620	£490,941

Braintree	£785,896	£432,243
Brentwood	£531,825	£292,504
Castle Point	£597,189	£328,454
Chelmsford	£871,201	£479,161
Colchester	£900,744	£495,409
Epping	£723,855	£398,120
Harlow	£558,414	£307,128
Maldon	£497,851	£273,818
Rochford	£569,492	£313,221
Tendring	£803,991	£442,195
Uttlesford	£533,671	£293,519
	£8,266,749	£4,546,768

This ensures that LSPs are provided with an equal allocation and not unfairly disadvantaged if the majority of their planned projects had a spend profile weighted towards 2010/11. In addition, a contingency fund of **£290,000** has been established to support the small number of LSPs for whom it can be demonstrated that this allocation will not cover their estimated spend to date and irretrievable commitments. Any unused contingency will be distributed to each LSP in proportion to their original allocation.

Overall allocations

In summary, the revised allocation of the available £13.374m fund is as follows:

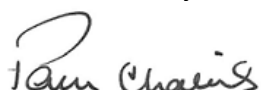
Recipient	Revised allocation (£m)
Thematic Partnerships	£6.447
LSPs (including contingency fund)	£4.837
Voluntary sector	£2.090
	£13.374

Next steps

Arrangements will be made to adjust budgets and ascertain the extent to which LSPs may need access to the contingency fund, and whether any monies may need to be paid back. There are some specific operational issues arising from the responses which the Partnership Secretariat will pick up directly with those partnerships involved.

It is hoped that all partners appreciate we have done everything possible, as quickly as possible, to reach a fair and balanced outcome for all under very difficult circumstances. We know that partnerships have been managing the impact of the reduction in funding across their projects in the best way possible, and will continue to do so now the revised allocations have been confirmed.

Yours sincerely



Councillor Pam Challis
Chair, Essex Partnership Forum



Councillor Peter Martin
Chairman, Essex Management Board

Appendix 1 – Decisions based on consultation findings

Proposal	Decision	Comment
The apprenticeship programme should be reduced by 30%, saving £1,278,000	Agreed	
Any PRG received over and above the expected £13.3m be earmarked to be put back in to the apprenticeship programme (the value will be between zero and £1m)	Agreed	
Independent domestic violence advisors to be supported at 70% of their original allocation, saving £142,000	Agreed	Clarification: this relates to the overall budget for domestic violence which includes the IDVA project – which will be funded 100% - and extension of support for the MARACs. The revised budget is £343k.
£280,000 to promote activity supporting the Olympic Games	Funding reduced	The proposed funding has been reduced to £130k (already committed to the Colchester stage of the Tour of Britain). £75,000 is additionally being made available by Essex County Council to support delivery of NI 8 and NI 11 LAA targets.
£100,000 for access to services in rural communities	Agreed	
Approximately £50,000 for projects to address re-offending	Agreed	
The voluntary sector endowment funds will be fully protected, but the Essex Community Foundation will be asked in 2010/11 and 2011/12 to use the endowment fund income to support projects that were previously scheduled to be funded through PRG	Agreed	Essex Community Foundation has advised that where projects facing PRG cuts can show that their project will contribute to the long term sustainable future of VCOs in Essex, they should apply by sending a Letter of Interest in time for the next round before 9 September. Further details of the application process are at www.essexcommunityfoundation.org.uk
Approved allocations of LSP capacity funding (covering six years to 31 March 2013) will be included in the calculations of funding to be paid to LSPs, providing flexibility for redirecting funding to closing down project activity	Agreed	
The balance of funds available be distributed to LSPs in proportion to their approved allocations of capacity and project funds	Agreed	
The Area Based Grant previously provided to district Community Safety Partnerships be allocated to district LSPs or their equivalent in 2010/11, in order to provide LSPs with a larger pool of funds from which to seek to cover savings and assist closing down of remaining projects in an orderly manner	Not agreed	A significant proportion of responses from LSPs were against this proposal.

Appendix 2 – Detail of responses to PRG reduction proposals

Full responses are available to partners on request.

Letters of general support were received from:

Braintree LSP (support, with exceptions noted below)
Castle Point LSP (supportive)
Chelmsford LSP (no strong objections – would appreciate swift, clear response)
Colchester 2020 (agree in principle to approach, further discussion needed on ABG)
Maldon LSP (willing to support, some clarifications)
Rochford LSP (best compromise can make at moment)
Essex Fire (support principles)
Sir Mike Hodgkinson, Essex Business Consortium (reasonable approach)

Highways Agency (no comment)

Concerns from voluntary sector at speed and impact, and that Third Sector Fund principles are not compromised

The apprenticeship programme should be reduced by 30%, saving £1,278,000

Support	Oppose
Basildon LSP, Tendring LSP + 8 general	West Essex LSPs, Harlow LSP (want 50% reduction)

Any PRG received over and above the expected £13.3m be earmarked to be put back in to the apprenticeship programme (the value will be between zero and £1m)

Support	Oppose
Tendring LSP + 8 general	West Essex LSPs, Harlow LSP

Domestic violence to be supported at 70% of it's original allocation, saving £142,000

Support	Oppose
Basildon LSP, Harlow LSP, West Essex LSPs, Tendring LSP, Essex Police, Essex Police Authority + 8 general	

£280,000 to promote activity supporting the Olympic games

Support	Oppose
6 general	Basildon LSP, Braintree LSP, Maldon LSP, Harlow LSP, West Essex LSPs, Tendring LSP

£100,000 for access to services in rural communities

Support	Oppose
8 general	Harlow LSP

Approximately £50,000 for projects to address re-offending

Support	Oppose
Harlow LSP, West Essex LSPs, Essex Police (but concerns for IOM), Police Authority + 8 general	

The voluntary sector endowment funds will be fully protected, but the Essex Community Foundation will be asked in 2010/11 and 2011/12 to use the endowment fund income to support projects that were previously scheduled to be funded through PRG

Support	Oppose
Basildon LSP (guidance requested), Tendring LSP, CVS, Essex Police + 8 general	

Approved allocations of LSP capacity funding (covering six years to 31 March 2013) will be included in the calculations of funding to be paid to LSPs, providing flexibility for redirecting funding to closing down project activity

Support	Oppose
Maldon LSP, Tendring LSP + 7 general	Harlow LSP, West Essex LSPs

The balance of funds available be distributed to LSPs in proportion to their approved allocations of capacity and project funds

Support	Oppose
Maldon LSP, Tendring LSP + 7 general	Chelmsford LSP (treat as collective), Police Authority (priority hotspots), Harlow LSP?

The Area Based Grant previously provided to district Community Safety Partnerships be allocated to district LSPs or their equivalent in 2010/11, in order to provide LSPs with a larger pool of funds from which to seek to cover savings and assist closing down of remaining projects in an orderly manner

Support	Oppose
Chelmsford LSP, Maldon LSP + 5 general	Basildon LSP, Braintree LSP, Harlow LSP, West Essex LSP, Tendring LSP, Police Authority, Essex Police, Basildon CSP, Castle Point CSP, Epping Forest CSP, Tendring CSP