

MIDDLESBROUGH COUNCIL

Overview and Scrutiny Board

Area Based Grant Reductions 2010/2011

Director of Strategic Resources

2 September 2010

PURPOSE OF THE REPORT

1. To present the proposed reductions to Area Based Grant projects to meet the grant reductions announced by the Government.

BACKGROUND AND EXTERNAL CONSULTATION

2. On the 10 June 2010 the Department for Communities and Local Government published its grant reductions to local government as part of the Governments proposals to make £6.2 billion of savings nationally in 2010/2011. The reduction to Middlesbrough Council's Area Based Grants totalled £2.705 million of an original grant allocation of £25.881 million. A reduction of 10.45%.

The detail of the Area Based Grant reductions confirmed to date are shown in the table below:

Area	Grant reduction (£Million)
Revenue – Dept. for Education Area Based Grant (ABG)	1.562
Revenue – DCLG Supporting People Admin ABG	0.096
Revenue – DCLG Working Neighbourhood Fund ABG	0.872
Revenue – DCLG Prevent ABG	0.057
Revenue – DCLG Cohesion ABG	0.018
Revenue – DfT Road Safety ABG	0.067
Revenue – Home Office ABG	0.034
TOTAL ALL AREA BASED GRANTS	2.705

3. Service areas have been working on their Area Based Grants to reduce expenditure and these proposals are attached at Appendix A.
4. The approach to determining the proposed reductions for each service was as follows:-
 - a) Where grant is yet to be committed or allocated to projects,
 - b) Reductions that minimise the impact on staff,

- c) Reductions that have a minimal impact on service delivery,
 - d) Ensure that discrimination against diverse groups is minimised,
 - e) Propose reductions that can be delivered in practice.
5. Consultation with voluntary sector representatives on the potential impacts on them has taken place with the Chief Executive.
6. A summary of the total reduction by service area is shown in the table below:

Service Area	£
Children Families & Learning	942,840
Regeneration	952,922
Environment	121,418
Social Care	776,450
Total	2,793,630

EQUALITY IMPACT ASSESSMENT

7. The equality impact assessment is attached at Appendix B.

OPTION APPRAISAL/RISK ASSESSMENT

8. Not Applicable

FINANCIAL, LEGAL AND WARD IMPLICATIONS

9. The value of the 2010/2011 reduction in Area based Grants to Middlesbrough Council is £2.71 million. Planned expenditure must therefore be reduced by this amount if the Council is not to overspend its budget.

RECOMMENDATIONS

10. Members of the Overview & Scrutiny Board are asked to:-
- a) Note the proposed grant funded expenditure reductions shown in Appendix A.

REASONS

11. To ensure that Middlesbrough Council does not exceed its budget following the Governments announced grant reductions.

BACKGROUND PAPERS

The following background papers were used in the preparation of this report:

Local Government's Contribution to £6.2 billion efficiencies in 2010-11 (Department for Communities & Local Government 10 June 2010).

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CHILDREN FAMILIES & LEARNING

Proposal and Brief Description	2010/2011 Savings amount (£)	Impact(s) on Specific Diversity strands	Mitigating actions
Extended rights for free home to school travel - uncommitted resource based on actual take up	43,000	None	
Care Matters Personal Education Allowances - uncommitted resource based on actual take up	90,000	None	
Care Matters Bursaries for Young People in Care - uncommitted resource based on actual take up	5,000	None	
Care Matters Support Care Scheme - uncommitted resource based on actual take up	10,000	None	
School Development Grant - SEN - to be met from other budgets	200,000	None	
School Development Grant - Gifted and Talented - to be met from other budgets	8,310	None	
School Development Grant - School Partnerships - reduction in grant available to schools	155,100	None	
School Development Grant - ICT in Schools - non replacement of vacant post	30,000	None	
Flexible 14 to 19 Partnerships Funding - uncommitted resource based on actual take up	27,660	None	
Teenage Pregnancy - non replacement of vacant posts	63,000	None	
Designated Teacher Fund - uncommitted resource based on actual take up	7,420	None	
Special Purpose Grant LSC Staff Transfer - uncommitted resource.	46,000	None	
January Guarantee - management charge to grant	1,610	None	
Carers - management charge to grant	8,240	None	
Youth opportunity fund - 15% management charge to grant following removal of ringfencing	64,450	Cross-Cutting	Investigation of dormant trust funds to use as legacy funding. Young people's grant panel to form part of the myplace steering group

Think Family - 15% management charge to grant following removal of ringfencing		Cross Cutting	to utilise the skills developed. Investigation of other funding sources to mitigate the loss.
Total	183,050		
	942,840		

REGENERATION			
Proposal and Brief Description	2010/2011 Savings amount (£)	Impact(s) on Specific Diversity strands	Mitigating actions
Proposal 1 Schedule of cuts to Working Neighbourhoods Fund programme	927,102	Cross-Cutting	See separate schedule
Proposal 2 – Reduction of community Cohesion grant. Reduction to budget allocations and planned spend across a number of promotion and event activities.	17,647	Cross-Cutting	The approach taken to deciding the cuts has been to mitigate the impact. This will ensure that the Council is able to continue to deliver on its statutory obligations in relation to community cohesion
Proposal 3- Social Housing allocations – will not spend allocated sum. No spend commitments	1,380	None	
Proposal 4 – Economic Assessment duty – reduction of project allocation, activities can be reduced without significant impact.	6,793	None	
Total	952,922		

WORKING NEIGHBOURHOODS FUND			
Project Title	2010/2011 Savings amount(£)	Impact (s) on Specific Diversity Strand	mitigating actions
Children Families and Learning			
2-A1 Enterprise Education	33,500	Age	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed.
3-A3 NEETS (180 days +)	8,840	Age	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed.
Personal Development Opportunities (internal)	3,624	Age	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed.
3-C3 Middlesbrough Learning Shop	3,535	Cross-cutting	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed.
Redundancy Support - Apprenticeships	9,500	Age	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed.
Educational Bursary Scheme	8,000	Age	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed.
Personal Development Opportunities (External)	2,121	None	Project is able to continue, however outputs will be reduced.
MLP Secretariat	3,845	Age	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed.
NI 56 Obesity amongst children - School meals	4,536	Age	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed.
Families First	22,009	Age	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed.

WORKING NEIGHBOURHOODS FUND			
Project Title	2010/2011 Savings amount (£)	Impact (s) on Specific Diversity Strand	mitigating actions
Small Grants (£175,000Max)	37,670	Cross-cutting	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed.
3-A1 Middlesbrough Volunteer Centre Core Funding	2,652	Cross-cutting	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed.
Total Children Families and Learning	139,832		
Corporate			
Partnership Core Development	17,061	Cross-cutting	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed.
Total Corporate	17,061		
Environment			
1-A4 Respect Squads (Infrastructure)	7,449	None	
1-B1 Concessionary Fares	18,000	Age	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed.
1-B1 Cycle Loans	1,462	None	Project is able to continue, however outputs will be reduced.
1-B2 Travel Planning	2,193	None	Project is able to continue, however outputs will be reduced.
1-B2 Workmobility	1,096	Disability	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed. National Access to work scheme will be signposted to ensure no impact on service users
1-B3 Access to Key Employment Sites	3,655	None	Project is able to continue, however outputs will be reduced.

WORKING NEIGHBOURHOODS FUND			
Project Title	2010/2011 Savings amount(£)	Impact (s) on Specific Diversity Strand	mitigating actions
Maintaining The Town Centre	9,364	None	Project is able to continue, however outputs will be reduced.
Money Advice - Technical Support Officer	2,000	None	Project is able to continue, however outputs will be reduced.
NI 18 Adult re-offending rates	31,255	None	Project is able to continue, however outputs will be reduced.
NI 32 Repeat incidents of domestic violence - Employ MARAC Co-ordinator.	2,193	Gender	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed. Approach taken will ensure core services to service users will be protected.
NI 32 Repeat incidents of domestic violence - Employ IDVA.	1,316	Gender	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed. Approach taken will ensure core services to service users will be protected.
NI 33 Arson incidents & NI 195 Improved street and environmental cleanliness - multi-disciplinary team	13,158	None	Project is able to continue, however outputs will be reduced.
Total Environment	93,141		
Regeneration			
1-A1 Employment Site Improvements (Business Grants Element)	45,000	None	Project is able to continue, however outputs will be reduced.
1-A1 Designing Out Crime Officer	5,000	None	Project is able to continue, however outputs will be reduced.
1-A2 Commercial & Business Assistance in Neighbourhoods	17,544	None	Project is able to continue, however outputs will be reduced.
1-A3 Business & The Environment	2,000	None	Project is able to continue, however outputs will be reduced.

WORKING NEIGHBOURHOODS FUND			
Project Title	2010/2011 Savings amount(£)	Impact (s) on Specific Diversity Strand	mitigating actions
Utilising Vacant Retail Space	25,000	None	Project has been cancelled as no work has yet started.
2-C2 Procurement/Supply Chain Support	10,000	None	Project is able to continue, however outputs will be reduced.
2-C3 Sector Development - Creative Access	91,469	None	Project is able to continue, however outputs will be reduced.
2-C5 Business Grants for Growth	85,000	None	Project is able to continue, however outputs will be reduced.
Future Jobs Fund Contribution	30,000	None	Project is able to continue, however outputs will be reduced.
Corus Support	29,750	None	Project is closing earlier than expected due to all potential clients being assisted sooner than expected. Therefore a larger cut was identified.
4-A1 Town Branding	5,000	None	Project is able to continue, however outputs will be reduced.
7-A1 Creative Sector Development - Performing Arts/Classical	1,827	None	Project is able to continue, however outputs will be reduced.
7-A2 Infrastructure for Creative Opportunities and Events	10,551	None	Project is able to continue, however outputs will be reduced.
7-B1 Company TSU	20,845	Age	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed.
WNF Delivery Team	30,001	None	Project is able to continue, however outputs will be reduced.

WORKING NEIGHBOURHOODS FUND			
Project Title	2010/2011 Savings amount(£)	Impact (s) on Specific Diversity Strand	mitigating actions
Local Economy Effectiveness	3,000	None	Project is able to continue, however outputs will be reduced.
BME Network	3,257	Race	Mitigating actions required to avoid significant impact. Discussions with project sponsor taking place.
L2 Major adaptations - Progress co-ordinators	3,114	Disability	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed. Request turnaround times will be longer.
NI 32 Repeat incidents of domestic violence - Sanctuary Scheme	5,596	Gender	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed. Approach taken will ensure core services to service users will be protected.
Neighbourhood Management	40,000	None	Project is able to continue, however outputs will be reduced.
Community Cohesion	2,248	Cross-cutting	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed. Approach taken will ensure that the Council's duties in relation to ensuring community cohesion and addressing community tensions continues to be effectively addressed
7-B1 Gallery TS1	4,810	Age	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed.
7-A2 World Class Events - EXTERNAL	4,069	None	Project is able to continue, however outputs will be reduced.
2-C1 Over the Threshold	10,000	None	Project is able to continue, however outputs will be reduced.

WORKING NEIGHBOURHOODS FUND			
Project Title	2010/2011 Savings amount (£)	Impact (s) on Specific Diversity Strand	mitigating actions
2-C6 Enterprise Centre Incubation	40,000	None	Project is able to continue, however outputs will be reduced.
3-A3 Engaging groups and inactive benefit claimants - Homeless Young People	2,557	Age	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed.
Review of Credit Union Infrastructure in Middlesbrough	1,462	None	Project is able to continue, however outputs will be reduced.
7-A1 Music and Artist Development - External	2,260	None	Project is able to continue, however outputs will be reduced.
3-A3 Engaging groups and inactive benefit claimants - Fit For Work MIND	2,686	Disability	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed. There will be some reduced level of service however the approach taken to the overall grants cuts has mitigated this as far as possible
Venture Capital Support for Social Enterprises	15,000	None	Project is able to continue, however outputs will be reduced.
Middlesbrough Community Network	16,124	None	Project is able to continue, however outputs will be reduced.
3-A1 Neighbourhood Employment Gateways Development - BME	8,000	Race	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed.
3-B1 Job Brokerage - sector specific training	32,000	None	Project is able to continue, however outputs will be reduced.
Families Project	11,550	Age	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed.

WORKING NEIGHBOURHOODS FUND			
Project Title	2010/2011 Savings amount(£)	Impact (s) on Specific Diversity Strand	mitigating actions
3-A3 Engaging groups and inactive benefit claimants - Fit For Work Hope	6,944	Disability	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed.
3-A3 Engaging groups and inactive benefit claimants - Chaotic Lifestyles	5,848	None	Project is able to continue, however outputs will be reduced.
3-A1 Neighbourhood Employment Gateways Development - Volunteering	9,375	None	Project is able to continue, however outputs will be reduced.
3-C4 Routeways to areas of labour demand - Retail	8,000	None	Project is able to continue, however outputs will be reduced.
Independent Living for Older People	7,127	Religion or Belief	Project will continue but at a lower level. To mitigate impact reduced outputs are to be agreed.
Total Regeneration	654,016		
Cancelled WNF Projects	23,051	None	Uncommitted expenditure, no impact
Total Working Neighbourhood Fund Reductions	927,102		

ENVIRONMENT			
Proposal and Brief Description	2010/2011 Savings amount (£)	Impact(s) on Specific Diversity strands	Mitigating actions
Environmental Damage Regulations – activity and minimal cut.	319	None	Relates to flood studies therefore no equality issues relating to this budget reduction.
Pitt review implementation – Surface Water Management Plans Renegotiate consultants brief and review consequential works.	3,658	None	
Stronger Safer Communities- Hold vacancies - Reduced ability to deliver but not business critical.	29,228	None	
Road Safety Grant- “Cleveland” partnership of LA's and Police, Reduction could be offset by income from driver training -- requires all party agreements hence date. Full recovery of £67k anticipated.	41,875	None	Relates to enforcement of speed limits and therefore no equality issues related to the budget reduction.
Prevent- Reduce commissioned activity. Reduced grant covers all current commitments to the voluntary sector.	19,981	None	
School Travel Advisers- Reduced support to Schools	3,834	None	Saving achieved by reduction in road safety advice role through deletion of vacant post. No equality issues.
Sustainable Travel - General Duty- Loss of income to T&D would need to be absorbed - offset by additional travel plan advisor saving.	2,523	None	Role absorbed by another officer. No equality issues related to this saving.
Youth Taskforce- Only £5k committed, remaining spend can be stopped without significant concerns.	20,000	None	No – programme may continue with lower cost option of Communi-K. A one off grant which was to be spent on work on confidence indication – no longer needed. Also Communi-K may be used to achieve results rather than more expensive forms of advertising and promotion.
Total	121,418		

SOCIAL CARE				
Proposal and Brief Description	2010/2011 Savings amount (£)	Impact(s) on Specific Diversity strands	Mitigating actions	
Supporting People - Withdrawal of development funding for independent Living for Older people (ILOP)	120,000	Race, Gender, Disability, Age	The council will work with WRVS to identify whether alternative funding is available.	
Supporting People - Withdrawal of additional funding earmarked for Harbour Women's Refuge service to develop new outreach service	81,250	None	The strategy group will need to reconsider how it now takes forward plans for an outreach service.	
Supporting People - Deletion of vacant temp housing Allocations Officer post	31,500	None	Deletion of the Housing Officer post may have an impact on choice in service provision for people with mental health needs but efforts will be made to minimise this by reallocation of work	
Supporting People - Withdrawal of handyperson funding for MAMMS Scheme	10,000	Disability, Religious Belief	The Council will work with voluntary and community sector organisations to identify alternative sources of support to mitigate the impact of this decision	
Supporting People - Termination of Assistance Programme for resettlement of Asylum Seekers	19,500	None	Not required	
Supporting People - Removal of funding assigned for unidentified new Independent Supported Living arrangements	150,000	None	Current supporting people contracts will be reviewed to release resources	
Supporting People - No recruitment to vacant Welfare Rights post	23,000	None	Not required	
Carers - Currently uncommitted resource	44,000	None	Not required	
Workforce Development - Temporary suspension of all training not already committed until 1st April 2011	52,800	None	Not required	

MCA/IMCA - Deletion of vacant Senior Practitioner Best Interest Assessor post	46,000	None	Not required
Mental Health Grant - Deletion of vacant 0.7fte and current temp arrangements in Forwards team	12,700	Disability	Reduced staffing capacity and this will be impacted as far as possible by reviewing caseloads
Supporting People - Transfer of staff costs from Supporting People to Social Care Reform Grant re CAF project	23,000	None	
Workforce Development - Transfer of staff costs from Workforce Development to Social Care Reform Grant	47,600	None	
Workforce Development - Transfer of contribution costs for Personal Assistant project from Workforce Development to Social Care Reform Grant	30,000	None	
Workforce Development - Transfer of costs of Dementia Care Mapping project from Workforce Development to Social Care Reform Grant	13,200	None	
Carers - Transfer of holistic therapy costs from Carers Grant to Social Care Reform Grant	5,200	None	
Carers - Transfer of costs of DP's for Carers project from Carers Grant to Social Care Reform Grant	7,000	None	
LDDF - Transfer of 50% of BME Workers costs from LDDF to Social Care Reform Grant	20,400	None	
Supporting People - Transfer of Quality Development Workers costs from Supporting People to Social Care Reform Grant	39,300	None	
Total	776,450		

Equality Impact Assessment

Department	Strategic Resources	Person responsible for the assessment	Director of Strategic Resources
Section	Financial Planning	Name of the policy/ decision to be assessed	Approach to in year Area based grants and WNF funding cuts
Date of Assessment	July 2010	Is this a new or existing policy/decision?	New

1. Describe the aims, objectives and purpose of the policy/decision

The purpose of the decision is to outline the Council's approach to the national reduction to Area Based Grants (ABG) and WNF within Council budgets.

2. Are there any associated objectives of the policy? Please explain.

The approach has been developed to minimise the negative impact on service delivery and ensure that groups are not unjustifiably adversely impacted because of a diversity strand.

3. Who is intended to benefit from the policy and in what way?

The approach has been devised that will have the minimum impact on delivery. Some projects deliver grant schemes where the money has yet to be allocated, others have planned works that have to date not commenced. As these projects have a more flexible budget they have taken a larger nominated cut because they will be less affected than others. This allows the remaining projects to take a less significant reduction. When developing this approach service delivery, equality of opportunity and the Council's equality duties have been considered at all times.

The Council has specific public duties around the race, gender and disability strands to consider impact of decisions on these groups. Specifically, under each duty it must:

Race

- promote equality of opportunity; and
- promote good relations between people of different racial groups.

Disability

- promote equality of opportunity between disabled persons and other persons
- eliminate discrimination that is unlawful under the Act
- eliminate harassment of disabled persons that is related to their disabilities
- promote positive attitudes towards disabled persons
- encourage participation by disabled persons in public life; and
- take steps to take account of disabled persons' disabilities, even where that involves treating disabled persons more favourably than other persons (e.g. the provision of an accessible parking bay near a building, where parking is not available for other visitors or employees.)

Gender

- to eliminate unlawful sex discrimination and harassment (including for transsexual people)
- to promote equality of opportunity between men and women

Those specific equality duties that are relevant to the recommendations have been considered as part of the development of proposals.

In some cases projects have not been reduced at all due to the project only covering salary costs, where a reduction would mean a loss of service or where the scheme is match funded and a reduction would mean a loss of other grant. Each proposed individual budget reduction is set out within the schedules appended to the report. Against each budget reduction the diversity strand(s) (race, gender, disability, sexual orientation, religion or belief, transgender, age or cross-cutting) affected by the proposal have been identified and mitigating actions have been set out to reduce the impact of the reduction in funding if this has been required and where this is possible.

This approach has been devised to allow services to be maintained in most cases, albeit in some cases at a reduced level.

4. What outcomes are wanted from this policy/decision?

To make well-informed reductions and reach an outcome that minimises the impact as much as possible.

5. What factors/forces could contribute/detract from the outcomes?

- Further announcements of budget cuts
- Legal challenges to external contracts
- Negative impact on future partnership working
- Negative impact on performance across projects receiving cuts.

6. Who are the main stakeholders in relation to the policy?

- Internal council departments and officers
- External organisations – both private sector and Voluntary and Community Sector (VCS)
- Service users and members of the public.

7. Who implements the policy and who is responsible for the policy?

Each Departmental Director will implement the reductions in funding as they apply to their departments once Executive has made its decision.

8. Are there concerns that the policy *could* have a differential impact on the basis of race, gender, disability, age, religion and belief, sexual orientation, caring responsibilities, offending past, transgender or poverty?

No. When Middlesbrough Council was informed about the in year reduction of the ABGs and WNF an exercise was undertaken to look at ways in which the savings could be made. An immediate reaction may have been to take an equal cut from every project, as other authorities have done. However it was felt that this approach would be unfair to those projects delivering services to the community as a whole and in recognising the importance of the duty to work to achieve equal outcomes in terms of race, gender and disability. The proposals were analysed by diversity strand and possible mitigating actions

were identified within that process (please see appendices of the main report). Only 2 proposals resulted in an impact on service users that could not be fully mitigated (withdrawal of development funding for independent Living for Older people (ILOP) and the withdrawal of handyperson funding for MAMMS Scheme – both affecting the disability strand).

9. What existing evidence (either presumed or otherwise) do you have for this?

Following an initial report to the Corporate Management Team (CMT) on the Government's decision, sponsors both internal to the Council and external including the voluntary and community and private sector were consulted about the cuts. An analysis of the various grants has been undertaken.

10. Differential Impact

Of the ABG's affected the Working Neighbourhoods Fund in particular is aimed at the most deprived areas of the town. Therefore, at a service user level there could potentially be a negative impact as the budget reductions will result in a reduction in the services offered, leading to an impact on the poverty strand.

Analysis by diversity strand demonstrates that some cuts will impact on age, disability, race, poverty and gender, however the Council gone as far as reasonably possible to mitigate the impact of these cuts, which are beyond the Council's control. Overall there is no unjustified disproportionate impact on a diversity strand.

Ultimately how the reductions in funding are allocated is a decision following the Government's decision to significantly reduce funding. The council have planned these cuts in a way that minimises impact on all beneficiary groups and recognises its specific equality duties.

