

Committee: Cabinet	Date: 3 December 2008	Classification: Unrestricted	Report No:	Agenda Item No:
Report of: Corporate Director of Development and Renewal		Title: Arrangements for Corporate Match Funding 2009-10		
Originating Officer(s): Chris Holme - Service Head Resources		Wards Affected: All		

1. SUMMARY

- 1.1 The Council has a policy commitment to support the Third Sector in delivering key services to the local community. The commitment is supported through the allocation of Corporate Match Funding to local projects and initiatives. This report sets out proposals for the period 2009/10.

2. RECOMMENDATIONS

The Cabinet is asked to:

- 2.1 Note the role of Corporate Match Funding as set out in paragraphs 5.1-5.3.
- 2.2 Agree, subject to the decisions arising from the Authority's budget setting processes, the priorities and arrangements for 2009/10 as set out in paragraphs 6.2 to 6.8.
- a. One year extended contracts of appropriate currently match funded projects
 - b. Financing projects and initiatives that aim to develop and maintain a thriving third sector

3. BACKGROUND

- 3.1 The Corporate Match Funding budget provides a mechanism for support to economic development projects and has traditionally been utilised to co-finance the European Structural Fund Programme and other external regeneration funding streams. Over recent years the Corporate Match Funding (CMF) budget has supported a number of local third sector organisations in accessing external sources of funding through co-financing.

4. CURRENT EXTERNAL FUNDING ENVIRONMENT

- 4.1 The external funding environment is moving increasingly towards a process of supporting cross-borough or pan-London regeneration projects (delivered by larger specialist agencies). This move proposes to ensure that disadvantaged organisations have access to business development and employment support that is of the same quality and standard no matter where they are based in London.

- 4.2 Other key factors impacting on both the London and the local funding environment include:

- ERDF now managed by the LDA and aligned to The Mayor's Economic Development Strategy for London
- National programme of ESF being managed in London through 4 Co-financing Organisations - Learning and Skills Council, London Councils, LDA and JobCentre Plus: Focussing on worklessness, up to level 2 qualifications and clear pathways to work.
- Focus on London 2012 Olympics.
- Moving into the Final years of the Ocean NDC Programme
- Conclusion of, Leaside SRB6 – Communities into Business Programme, NRF, and the LDA Area Programme to City Fringe programmes.
- Working Neighbourhoods Fund is significantly below the previous NRF level.
- Increased need for the Council to align funding to achieve LAA targets and rewards.

5. ROLE OF CORPORATE MATCH FUNDING

- 5.1 The Corporate Match Funding (CMF) is used to deliver projects' whose outputs and outcomes support the aims and objectives of the Local Authority's employment and business development programmes including the Council's Regeneration Strategy which focuses primarily on people, employment and the local economy. The Local Area Agreement sets out the priority outcomes agreed by the Tower Hamlets Partnership. These

priorities are reflected in the partnership work with the other Olympic host boroughs to ensure that the 2012 Olympic and Paralympic Games deliver maximum benefits in Tower Hamlets.

5.2 The focus for prioritisation is the Community Plan as exercised through the Regeneration Strategy and the Local Area Agreements. Three themes have emerged to support the delivery of the vision:

- Helping families escape poverty, by providing employment support and advice
- Identifying and removing barriers to employment for target groups
- Helping people to get and keep employment by ensuring there is support and training before and after they get a job

5.3 These themes will assist in addressing the weakness of current employment programmes to tackle the high levels of worklessness of local residents, particularly young people. More robust tracking and monitoring is highlighted as essential to identify areas of good practice as well as providing more intelligence on effective removal of barriers preventing local residents accessing employment.

6. PROPOSED FUNDING PRIORITIES FOR 2009/10

6.1 In previous years funding priorities for Corporate Match Funding have been allocated as follows:

- Delivery of outcomes and outputs associated with job creation, job placement, business development, or the provision of new / improved workspace
- Building the capacity of local organisations

6.2 The proposed priorities for the 2009/10 financial year will be the same. This will enable the Council to consider how best to maximise the potential synergy between the Corporate Match Funding programme and other regeneration funding initiatives.

6.3 The Corporate Match Funding Budget will therefore continue to deliver activities outlined in key strategic documents. Specifically, those that go towards delivering Community Plan priorities as agreed by Cabinet in November 2006: It will therefore be used to support the delivery of outputs and outcomes associated with delivering skills and enterprise and establishing a thriving third sector.

6.4 The current budget for Corporate Match Funding is £680,000, but this report assumes a £20,000 reduction in 2009/10 as part of the Council's previously agreed three-year budget process. It is recommended that funding is prioritised as follows:

- Up to £550k for co-financing externally funded projects; and,
 - Up to £110k to support capacity building projects.
- 6.5 Where current Corporate Match Funding supported projects have Service Level Agreements that end 31 March 2009 but have forward delivery plans for 2009/10 and, where the project has been delivering effective and efficient services as measured by its outputs, outcomes and financial procedures, we recommend that Corporate Match Funding be 'rolled-over' for a further year to 31 March 2010.
- 6.6 This arrangement would require Officers to negotiate and agree appropriate project spend, output and outcome targets for the additional year. Officers will ensure that outputs and outcomes are in line with the priorities of the Prosperous Communities theme and that the level of support represents good value for money.
- 6.7 The rationale behind the request to 'roll-over' i.e. extend CMF Agreements to currently supported projects is as follows:
- Many of the organisations who would normally be embarking on the CMF application round at this time are now heavily involved in the Council's new commissioning process for Mainstream Grants;
 - Organisations involved in both Corporate Match Funding and Mainstream Grants would be significantly disadvantaged if timings for both these funding opportunities are simultaneous
- 6.8 Following the allocation of the co-financing budget in line with paragraph 6.5 above, Members are asked to agree that the Corporate Director, Development and Renewal be authorised, in consultation with the Chair of the Grants Panel, to commission the remaining funds to meet the needs of Third Sector infrastructure projects and initiatives essential in delivering a Thriving Third Sector in the borough. These commissioned projects and initiatives will include the following:
- Introduction to Project Management
 - Risk Management
 - Developing Funding Strategies and Bid Writing
 - Advanced Project Management for Practitioners
 - Supporting organisations to achieve and maintain externally verified Quality Assurance accreditation

Table 1 below sets out proposed funding priorities based on indicative CMF allocations for the year.

Table 1

Objectives	2009/10 £000
a. One year extended contracts of appropriate currently funded projects	550
b. Supporting initiatives to develop and maintain a thriving third sector	110
Totals	660

7. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)

- 7.1 There are a range of statutory powers under which local authorities may provide funding to various organizations, in particular the third sector. Section 2 Local Government Act 2000 enables a local authority to do anything which is likely to achieve the promotion or improvement of the economic, social or environmental well-being of its area. In exercising the power conferred by Section 2, a local authority must have regard to their Community Plan.
- 7.2 The funding priorities for each of the funding streams, in particular the Corporate Match Funding, includes the priorities set out in the Community and Strategic Plans and Local Area Agreement. This enables a strong link between the funding provided and the contribution to delivering outcomes from those plans and fulfils the Council's obligation in that regard.
- 7.3 All services involving the third sector should be commissioned in accordance with the Council's Third Sector Commissioning Strategy.
- 7.4 Once some contracts involving appropriately funded projects have been extended for one year, the projects involved should then be re-commissioned in accordance with the Commissioning Strategy referred to in para.7.3 above.

8. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 8.1 The report seeks Cabinet's approval for the priorities and arrangements of the Corporate Match Funding budget for 2009/10 subject to resources being made available through the annual budget process. The recommended approach will facilitate effective targeting of limited resources to maximize

inward investment through external funding to the borough whilst ensuring those resources are targeted toward Community Plan Priorities.

8.2 Budget figures quoted in the report are at this stage indicative.

9. EQUAL OPPORTUNITIES AND ANTI-POVERTY IMPLICATIONS

9.1 The Corporate Match Funding programme focuses on tackling worklessness through customised delivery of services and activities by Third Sector partners as well as supporting projects and initiatives which help to develop and maintain a thriving Third Sector. As a result, the Programme will target some of the most socially and economically excluded residents in the borough. Each initiative recommended for funding will have to demonstrate a clear commitment to equal opportunities set out within its delivery or implementation plan

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

10.1 The programme of support will seek to promote the use of sustainable environmental technologies through both the appraisal and contracting stages of the budget's roll out.

11. RISK MANAGEMENT IMPLICATIONS

11.1 A number of different risks arise from any funding of external organisations. The key risks are:

- The funding will not be fully utilised i.e. allocations remain unspent or outcomes are not maximised;
- The funding will be used for purposes that have not been agreed e.g. in the case of fraud;
- The organisations may not be able to secure additional funding necessary to deliver the agreed activities;
- The organisation may not in the event have the capacity to sustain the outputs and outcomes required.

11.2 To ensure risks are mitigated or minimised, each organisation or project sponsor will be required to comply with the requirements of an Agreement, which sets out the outputs to be delivered, and evidence required to support delivery, in order to trigger payments. All supported projects will be strictly monitored to ensure compliance

12. EFFICIENCY STATEMENT

- 12.1 The proposed funding priorities will deliver better outcomes for local people within existing resources. Through, for example:
- Increased Leverage of external resources.
 - Improved outcomes from utilisation of co-financing arrangements
 - The application of the Green Book compliant appraisal process, in which delivery of value for money is a key activity. In addition all commissioning is undertaken in accordance with the principles of the Third Sector Strategy, and the Council's Financial Regulations.

Local Government Act 1972 (as amended) Section 100D List of "Background Papers" used in the preparation of this report

Brief description of "Background paper"

Name and telephone number
of holder and address where open
to inspection