

**Chief Executives' Group – North Yorkshire and York**

**14 February 2013**

**Performance Reward Grant – amendments to the programme**

**1 Purpose of the Report**

- 1.1 To consider a request for an amendment to the Performance Reward Grant programme.
- 1.2 To consider and agree a process for dealing with future requests for amendments to the programme.

**2 Background**

- 2.1 The North Yorkshire Performance Reward Grant (PRG) was a payment made by central government in respect of achievements made by local partners, under the auspices of the North Yorkshire Strategic Partnership (NYSP), against the key outcomes and targets in Local Area Agreement 1 (2007/08 to 2009/10).
- 2.2 The total PRG received was £6.2m. The approach to allocating PRG was agreed in February 2011 at the final meeting of the NYSP Executive:
  - 90% (£5.6m) would be allocated to projects in accordance with recommendations of the NYSP Thematic Partnerships which generated it, aiming to assist partners to meet their challenges and priorities with an emphasis on sustainability and pump priming investment for innovation;
  - 10% (£620k) would be allocated to the voluntary and community sector through the York & North Yorkshire Community Foundation (since renamed the Two Ridings Community Foundation) with one-third to be used for immediate grant funding and the balance to create an endowment fund; and
  - PRG would be utilised over a three year period (2011/12 to 2013/14).
- 2.3 The NYSP Executive also agreed that operational monitoring of PRG projects would be undertaken through the appropriate successor body (if one existed) to each NYSP Thematic Partnership and financial monitoring would be undertaken on a six-monthly basis by North Yorkshire County Council (NYCC) officers, with exception reports to the NYY Chief Executives Group when required.
- 2.4 An annual programme report was received by the Chief Executives Group in September 2012. No exception reports have been made to date.

**3 Requests for amendments to the programme**

- 3.1 A request for an amendment to the programme (relating to slippage beyond March 2014) was agreed by the Chief Executives Group in September 2012 as part of the annual report.
- 3.2 At the same time, NYCC officers were authorised to agree any other reasonable requests from project leads for slippage beyond March 2014 where:
  - the amounts involved are not significant (normally less than 10% of the project's total allocation)
  - there is a clear justification for the request, and
  - there is a realistic expectation that expenditure will be completed by March 2015.

- 3.3 A further request for an amendment to the programme has been received in respect of Increasing Access to Super-fast Broadband project (county-wide).
- 3.4 Early warning has also been given of a review being undertaken of the Night Marshalls (Scarborough) project and the likelihood that a request will be made shortly to transfer some of the funding to other projects that are tackling some of the problems that can arise from the night-time economy, for example the PRG funded and Scarborough based Accident and Emergency (A&E) Alcohol Support Link Worker project. This project identifies and supports through brief Interventions patients presenting at A&E with moderately to severely harmful drinking patterns and is having a positive impact with significant decreases in the number of visits to A&E.
- 3.5 Neither of these requests fit within the delegation agreed in September 2012; no other appropriate delegations exist; therefore both these requests will need to be considered by the Chief Executives Group.

**4 Increasing Access to Super-fast Broadband**

- 4.1 NYCC (project lead) is requesting that the proposed expenditure of the PRG grant is re-profiled:

|                        | Current profile | Proposed profile |
|------------------------|-----------------|------------------|
| Actual spend 2011/12   | £91k            | £91k             |
| Forecast spend 2012/13 | £400k           | £80k             |
| Forecast spend 2013/14 | £309k           | £300k            |
| Forecast spend 2014/15 | £0k             | £329k            |
| Total                  | £800k           | £800k            |

- 4.2 The reasons for this request are:
  - State Aid: This is a major risk for broadband intervention and the principle reason for delay. With a view to minimise the risk of a State Aid challenge we ran a procurement framework to secure a closed list of community internet service providers (CISPs). This work is complete, but there is still a need to construct and issue further competitions for individual clusters of communities in the last 10% of communities.
  - Identifying the last 10% of communities: Whilst there has been some understanding of the whereabouts of the last 10%, it has not been possible to fully define these areas until BT had determined exactly the 90% that there service would reach. This work is now substantially complete.
  - Delays with existing schemes: For a range of reasons, some of the CISPs delivering the early PRG schemes are taking longer to rollout on the ground than expected. They are not able to draw down 2nd and 3rd stage payments until they complete areas.
  - Alternative funding: In the wider strategy to complete the last 10%, it is not believed that PRG alone will provide sufficient funding. Alternative funding (eg Rural Development Programme for England (RDPE) and Rural Community Broadband Fund (RCBF)) has been explored and is being utilised; in some case expenditure of these funds is being prioritised due to tighter timescales than PRG.
- 4.3 It is recommended that this request is approved.

**5 Process for dealing with future requests for amendments to the programme**

- 5.1 In anticipated that there will be further requests for changes to the programme as circumstances change.
- 5.2 Where possible, further requests will be included within the programme annual report presented to the Chief Executives Group in the September of each year.
- 5.2 However, if a request will not fit within the timescale of the programme annual report it is proposed that the Chair of the Chief Executives Group is authorised to amend the programme following consultation by email with members of the Chief Executives Group.

**6 Recommendations**

- 6.1 That the request for re-profiling of the funding for the Increasing Access to Super-fast Broadband project is approved.
- 6.2 Where possible, further requests for amendments to the PRG programme will be included within the programme annual report presented to the Chief Executives Group in the September of each year. However, if a request will not fit within the timescale of the programme annual report it is proposed that the Chair of the Chief Executives Group is authorised to amend the programme following consultation by email with members of the Chief Executives Group.

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