

A summary of 'Developing the future arrangements for Local Area Agreements'
Department for Communities and Local Government
February 2007

The publication 'Developing the future arrangements for Local Area Agreements (LAAs) sets out current government thinking on how the new LAA arrangements will be implemented. It has been published to inform local debate and help us identify what we need to do to prepare for the new LAA in April 2008 in advance of detailed statutory and operational guidance (expected summer 2007).

Issues to consider

- **Profile** – Is this area of work given the importance it demands within the lead authority and in partner organisations?
- **Local priorities** - Developing the priorities of the Sustainable Community Strategy and ensuring these inform the LAA negotiation process. We need to influence the LAA with local priorities rather than be driven by the national agenda.
- **Involvement**- at the development stage and in the ownership of targets. Appropriate partners need to be involved at all levels. Voluntary, community and private sector involvement at theme level should be improved.
- **Capacity**- How will the lead authority, the partnership and government manage the process? In particular are the lead authority and government office able to adequately support negotiation of new LAAs and Multi Area Agreements.
- **Timescale** – short timescale to agree our LAA particularly as this is running alongside development of the SCS.
- **Existing LAA** – Current stretch targets will be in the new LAA but uncertainty about non-stretch. Will we be expected to run two LAAs for one year?
- **National indicator set** - The full national indicator set may not be ready for full negotiation of LAAs this year demanding revision of targets in 2008/09.
- **Multi Area Agreements** – government is encouraging areas to develop multi area agreements in order to drive regional and national economic growth through greater cross boundary collaboration. Authorities and their partners will be able to pool funding to be used across the sub region. Ideas across the south east are evolving about various options for multi area agreements. Oxfordshire needs to be at the centre of these discussions to ensure we gain the maximum benefit from such an initiative.

Summary of the Key Points:

- LAAs will be the only place where targets to be delivered either by local government on its own or with its partners are agreed.
- LAAs must be informed by the Sustainable Community Strategy's analysis of need and its longer term priorities.
- LAAs will consist of a base set of pre-existing statutory educational and early years targets (currently 18), up to 35 improvement targets (drawn from the national indicator set) and locally agreed targets.
- Four themes to remain the same – with exception of Economic Development which becomes Economic Development and Environment (also including cultural issues)

Summary of Developing the future arrangements for Local Area Agreements

- LAAs no longer about specific funding for specific targets. There will be a new un-ringfenced areas based LAA grant. Assumed that all area based funding will come through this route in future.
- LAA framework will come into effect in April 2008
- A new single national indicator set of approximately 200 indicators which will replace all existing target setting regimes with government.
- Local priorities drawn from the SCS will form the core of the 35 negotiated improvement targets.
- LAA will be subject to an annual review which will be informed by the Comprehensive Area Assessment.

Two tier issues:

- LAAs need to reflect both county and district priorities in the agreement of improvement targets.
- District councils remain subject to requiring a SCS and are expected to act as the overarching co-ordinating partnership.

Funding:

- Currently pooling of area-based funding streams is linked to the establishment of specific targets in the LAA – in the future local authorities and partners will use a variety of funding sources to deliver the national indicators.
- To be agreed locally how much funding should be used to support the delivery of local and national priorities.
- Wherever possible funding will be provided as mainstream funding

1. Background

1.2 Government's ambition as outlined in the White Paper 'Strong and Prosperous Communities' is for LAAs to provide local authorities and partners with the flexibility and capacity to deliver the best solutions for their areas. Government wants a formal framework of co-operation between key strategic partners in the area to allow transparent agreement of targets.

2. Introduction

2.1 **A single conversation with government:** The relationship between local and central government will be reformed and a much smaller set of priorities agreed for each locality. Government will agree targets to be delivered either by local government on its own or with its partners.

2.2 **Sustainable Community Strategy:** LAAs must be informed by the Sustainable Community Strategy's analysis of need and its longer term priorities.

2.3 **Targets:** LAAs will consist of a base set of pre-existing statutory educational and early years target (currently 18), up to 35 improvement targets (drawn from the national indicator set) and locally agreed targets.

2.4 **Funding:** LAAs are no longer about specific funding for specific targets. Now effectively all resources in the area support them. There will be a new unring-fenced area based LAA grant. It is assumed that all area based funding will come through this route in future

2.5 **Timing:** These major changes to the LAA framework will come into effect in April 2008 although the scale of reform means that some elements will take longer to implement.

3. Improvement targets

3.1 Currently local government is subject to more than one thousand government indicators of performance. These will be replaced by a new single national indicator set of approximately 200 indicators with the aim of avoiding the proliferation of targets and subsequent reporting that exists at present.

3.2 Each indicator will have a reporting frequency assigned to it based on the nature of the data collected; and a spatial element based on the appropriate geographical level for the indicator.

3.3 Local priorities drawn from the Sustainable Community Strategy will form the core of the 35 negotiated improvement targets which will be drawn from the national indicator set of 200 targets. The selection of targets will need based upon a consideration of performance data and known risks.

3.4 In addition to improvement targets the LAA will include locally-agreed targets. These should be treated in the same way as the improvement targets but do not have a reporting burden to government. Local targets can be amended or dropped by local partners without the intervention of central government.

- 3.5 In areas of high performing public service delivery the number of improvement targets may be less than 35 and the locally designated targets may form the larger part of the LAA.
- 3.6 An annual risk assessment of outcomes and services in each area will form part of the Comprehensive Area Assessment (replacing the existing Comprehensive Performance Assessment) and will inform negotiation of the LAA.
- 3.7 The LAA negotiation process with government will explore how local priorities match central government views on improvement targets.
- 3.8 The process will take into account existing stretch targets but it is not yet known whether there will be a reward element for targets in the future. Confirmation of this is expected in the Comprehensive Spending Review.
- 3.9 The operational guidance will set out any priority areas in which Government wants an ambition to be set nationally through specific indicators. These priorities could potentially be addressed through Multi Area Agreement targets as well as LAA targets.

4 Review process

- 4.1 The LAA will be subject to an annual review which will be informed by the Comprehensive Area Assessment. Its aim will be to review progress; consider what new priorities have emerged and where data suggests a risk to the delivery of services or the achievement of SCS objectives. A new external assessment and intervention strategy will cover what will happen in the event of a risk of not meeting an improvement target.
- 4.2 The local area is expected to performance manage its own progress on all targets on a constant basis.
- 4.3 Any new improvement targets reflecting changing priorities will need to replace, rather than add to existing improvement targets.

5. Themes

- 5.1 The four thematic areas of the LAA will remain the same as the former blocks with the exception of economic development which shall become economic development and environment and also include cultural issues. The other themes are Children and Young People; Healthier Communities and Older People; and Safer and Stronger Communities.
- 5.2 The purpose of the themes is to facilitate central/local discussions and monitoring arrangements rather than place limitations on pooled funding arrangements as the blocks did.
- 5.3 The process for setting targets should take full account of the range of priorities reflected within themes and developed locally e.g. the Children and Young People's Plan and the Crime and Disorder Reduction Plans.

5.4 Indicators and targets do not have to be assigned to a particular theme and there does not need to be particular or equal number of targets in each theme.

6. Two tier issues

6.1 LAAs need to reflect both county and district priorities in the agreement of improvement targets. District specific improvement targets may be required where performance is reported at the district level.

6.2 Areas with current unitary bids should continue to prepare new LAAs based on the existing organisational structure but will need to review them in 2009.

6.3 District councils remain subject to the requirement to produce a Sustainable Community Strategy and are expected to act as the over-arching co-ordinating partnership. They should take responsibility for cross-cutting issues that have been identified as critical to the locality; and ensure that district-level plans such as the SCS and Local Development Framework take account of county-wide priorities and that district level priorities are considered and where appropriate reflected at the county level.

7. Funding arrangements

7.1 Currently the pooling of area-based funding streams is linked to the establishment of specific targets in the LAA. In future local authorities and partners will use a variety of funding sources to deliver the national indicators. It will be agreed locally how much funding should be used to support delivery of local and national priorities.

7.2 Wherever possible funding will be provided as mainstream funding but where it is not it will be provided through area-based LAA grant or in some cases will remain ring-fenced. The operational guidance will list the funding streams excluded from the LAA grant.

7.3 Requirements to provide financial information will depend on the financial auditing requirement for the grants concerned.

8. Involvement- Commitment of partners

8.1 As outlined in the Local Government and Public Involvement in Health Bill a number of statutory duties will be introduced for LAAs. There will be a duty on the lead local authority to produce a LAA and consult and seek participation of named partners and other such persons as is appropriate (this should include voluntary, community and private sector representatives).

8.2 Designated targets may be the joint responsibility of the lead authority and a named partner and local priority targets may be agreed between any named partners.

8.3 There is duty on local authorities and named partners to co-operate with each other and to have regard to relevant targets. However the Local Strategic Partnership will remain a voluntary partnership focusing on agreed targets laid out in the LAA.

8.4 The following have been identified as named partners to be involved in the LAA,

Unitary and county authorities	Chief Officer of Police
District authorities	Local Probation Boards
The Environment Agency	Primary Care Trusts
Natural England	Joint Waste Disposal Authorities
Fire and rescue authorities	Regional Development Agencies
Jobcentre Plus	The Learning and Skills Council
The Health and Safety Executive	Sport England
The Broads Authority	English Heritage
National Park Authorities	Highways Agency
Youth Offending Teams	Metropolitan Passenger Transport Agencies
Police Authorities	

8.5 Government are seeking to add the Museums, Libraries and Archives Council, the Arts Council, Transport for London, NHS Trusts and Foundation trusts to the list of partner authorities.

8.6 Partners are expected to engage at the appropriate level. This will vary depending on the body and the characteristics of the locality and should be negotiated between partners at the local level. It could include representation on the LSP board, involvement in the relevant thematic partnership, face to face meetings, secondment of staff or considering or determining LAA and SCS drafts.

9. Inclusion

9.1 Local authorities must ensure that non-statutory organisations are given a range of opportunities to participate in and influence the determination and delivery of local priorities. The existing Statement of Community Involvement will continue to be included until the local community engagement strategy (outlined in the white paper) is in place

10. Managing transition

10.1 The full indicator set might not be complete by April 2008 so by April 2009 all LAAs will be based on the full national indicator set plus any additional local targets. We will be expected to have 35 +18 improvement targets by April 2008.

Apr-May	Scope work for new arrangements including coverage of SCS priorities and changes required to governance and capacity in the partnership
June	Performance and transition planning review with GOSE. Agree scale and pace of implementation of SCS priorities. Also consider what the priorities for improvement based on assessment of existing performance data
Sept	Government clarify implementation arrangements
Oct	Consult on SCS priorities and prepare transitional review to include proposed improvement targets
Nov	Transitional review with GOSE
Dec	Consult on new LAA outcomes framework, funding plans and performance arrangements. Government review proposed targets
Jan	Negotiate improvement targets, submit revised outcomes framework
Feb-Mar	Government office recommendations to government and sign-off