

Local Area Agreement – Review and Refresh Process

Introduction

1 On 30 June the Government signed the new ‘transitional, severable’ Cheshire Local Area Agreement. Both the Statutory Guidance – “Creating Strong, Safe and Prosperous Communities” and the subsequent LAA Operational Guidance stated an intention to subject each new LAA to an annual review to identify and address any issues around delivery, including risks and good practice, and to help assess and benchmark progress over the three year lifespan of the LAA. In addition, the review should provide an opportunity to revise, by exception, particular targets to reflect changes in local circumstances or national priorities.

2 It should be noted, however, that the arrangements for the imminent first Annual Review will be different and will include a distinct refresh element. In part this is due to the fact that the first Comprehensive Area Assessment (CAA), which will provide evidence and conclusions to inform LAA annual reviews, has not yet taken place. Furthermore, ongoing development of the national indicator set resulted in a number of non-finalised negotiations with targets remaining to be set across a number of areas.

- **Review** - The review will take place in the context of limited delivery data and will, therefore, look more at local capacity and delivery arrangements to ensure future delivery. Issues for consideration will include arrangements with partners and their commitments, performance management systems, joint commissioning and citizen engagement, including efforts to communicate with residents on local priorities.
- **Refresh** - While the refresh element may conclude some limited revisions where new evidence is available, it is anticipated that most changes will be in terms of ‘unfinished business’ from the negotiations. This unfinished business comprises delayed indicators, revised indicators and targets that are inconsistent with their indicator definition. The aim is that all outstanding targets will be resolved ready for year two of the LAA (from 1 April 2009).

Agreed Principles

3 The following key principles have been agreed to guide the process:

- **Collaboration and co-operation** - The refresh and review should be seen as part of the wider efforts to create a shared endeavour between central and local government and its partners, building on the best joint work that characterised the recent negotiations. For example, participants should aim to have clear objectives going into review and refresh discussions

highlighting, for instance, any links to Public Service Agreements (PSAs) and Sustainable Community Strategies.

- **Refine not replace** - The key aim of the annual review itself is to reflect on progress against agreed targets rather than reopening negotiations. However, local areas and central departments need to be open to discussing issues where there is new evidence that was not available during negotiations. In most cases, it is expected that any changes should be around refining targets – such as by disaggregating to ward level – rather than replacing them or changing agreed priorities.
- **Proportionality** - Government departments and local areas should act proportionately in seeking and responding to requests to review and revise LAA targets. Proposals to amend an LAA should be reasonable and evidence-based, and be responded to in the same spirit. For example, new baseline data or significant changes to the definition could be a legitimate reason to reconsider a previously agreed target.

The Process

4 Government Offices (GOs) will conduct initial work with local partnerships and central departments to agree the scope of refresh and review for each place. The GOs, on behalf of Government, will then lead a range of discussions with local authorities and their partners. Both the refresh and the review will be a process rather than a one-off event, with GOs reporting progress to Whitehall at key stages. Locally, the process will begin with the submission of performance information to GONW by **25 November 2008**. This information will be compared with data from the Data Interchange Hub and will be used to inform both the annual review and subsequent refresh discussions. The performance report can be presented in any format but should include:

- Delivery arrangements for designated LAA targets;
- Wherever possible, an assessment of the risks to the achievement of designated LAA targets, together with brief explanations of mitigating actions and residual risks;
- Exception reporting on progress against designated targets or other national indicators; and
- Where appropriate, information on baseline data not available at the time of sign off.

In addition, the review will be informed by joint completion, between GO and local partners, of an Annual Review Report (see Appendix 1).

5 The Government and the Local Government Association have agreed that local authorities should submit their refreshed LAAs in line with the key milestones set out below. This timeline ensures maximum flexibility to finalise targets, for example those needing data from the Place Based Survey, and for local adoption of the refreshed LAA. In line with the cooperation and proportionality principles set out above, the Secretary of State does not intend to issue formal direction for authorities to refresh their LAA.

6 The key milestones are set out below:

DATE	ACTIVITY
October 2008:	Departments finalise target negotiating briefs, where needed
October 2008:	GOs will agree detailed arrangements for annual reviews in their region, including the deadline for receipt of Partnership performance reports
25 November 2008	Partnership LAA performance reports to GONW
November 2008 – January 2009:	Annual Review discussions
January 2009:	GO Annual Review conclusions sent to Government
16 February 2009:	Draft refreshed LAAs sent to GOs
2 March 2009:	Final or near final refreshed LAAs sent to GOs (at this point LAAs should be in final or near-final form though possibly not yet formally adopted)
9 March 2009:	GOs make recommendations to Ministers
Throughout March 2009:	Negotiations to be concluded on any outstanding issues
By 26 March 2009:	Formal adoption process completed according to the agreed scheme of delegation and <u>final</u> LAAs submitted to GOs Cross-Government consideration of refreshed LAAs
Friday 27 March 2009:	GOs to submit adopted LAAs to the Secretary of State
Early April 2009:	Secretary of State approval of revised LAAs

Local Arrangements

7 Any revisions to an LAA need to be approved in accordance with local arrangements put in place by the responsible authority. The arrangements for preparing and approving any revisions to targets are set out in statutory guidance as well as general guidance on ‘local choice’ functions. The recent negotiations underline the importance for the responsible authority to put in place appropriate local arrangements to ensure they meet the deadline for submitting their **final and fully adopted** refreshed LAA to the Government Office. In Cheshire, as a consequence of local government re-organisation, this process will need to be agreed with the two new unitary authorities for Cheshire West and Cheshire and Cheshire East.

8 Experience from the recent negotiations also indicates a need for more clarity in some LAAs on which partners have signed up to which targets. This is particularly important for named partners, since it is only with such clarity that the duty to ‘have regard’ to the target in the exercise of their functions applies.

Indicator Consultation

9 Definitions for a total of 13 deferred and revised national indicators have been recently subject to consultation and final definitions will be confirmed in early December in time for any targets to be negotiated against them by the time of the submission of the revised LAAs.

Alignment with other performance frameworks

10 The recently published LAA Annual Review 2008/09 guidance states the importance of properly linking the Annual Review to related processes from other performance frameworks during the autumn so that the Review is appropriately informed. This should include initial Direction of Travel assessments made by the Audit Commission; APACS; the NHS Operating Framework; and Education and Early Years Targets.

Recommendation

That the Communities of Cheshire Partnership:

- (i) note the LAA Review and Refresh Process for 2008/09; and
- (ii) delegate initial work on the Cheshire LAA Performance Report for submission to GONW by 25 November and the LAA Annual Review Report, to the current thematic partnership block co-ordinators.

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GO NETWORK LAA ANNUAL REVIEW REPORT: 2008/9			
GO		Area	
Section 1: Progress Summaries			
Summary of overall progress			
<p>This section would provide an “at a glance” view of progress and direction of travel. It would not be a RAG rating, but a few short, standardised sentences that the Network would agree collectively to use.</p> <p>The section will also flag up if, through better evidence or discussion during the review process, any new targets were likely to be added, or if any current ones were coming under pressure. This will allow the GO to provide assurances on “parked” indicators (these being those indicators departments had “qualified” during sign off).</p>			
Summary of progress against designated targets			
<p>For this section, each report would be set out to the following convention (all place names imaginary and all numbers illustrative):</p> <p>High Dudgeon LAA has 35 designated targets. Of these:</p> <p>12 are on track to meet or exceed the levels of ambition as agreed in the signed LAA 5 are currently off trajectory, but are expected to improve over the period and to meet expectation 3 are at risk of missing agreed levels of ambition. A detailed analysis of the delivery issues and action to resolve them is set out in section 3 below 15 have no data yet on which to evidence progress.</p>			
Impact of economic conditions			
<p>This section would outline those indicators partners consider may be affected by the wider economic environment and examples of where LAA partnership processes are playing a role in developing responses to the economic situation (where available).</p> <p>).</p>			
Section 2: Delivery			
Partnership Arrangements			
<p>This part of the report will reflect on a number of themes designed to give Ministers and departments the confidence that a plausible and effective delivery culture is in place across the partnership. It will draw on the evidence GOs capture around:</p> <ul style="list-style-type: none"> • whether enough partnerships have good delivery planning in place, and are embedding cross-partner challenge • whether interventions plausible and based on analysis • common performance management arrangements and data sharing? • whether any revised LSP structures are beginning to bed down and produce results • whether the LSP has identified and begun to address any critical weaknesses, including use of the RIEP for support <p>Where the GO has concerns these will be covered off by a section headed “Action”. Where the GO has identified good practice this will be covered off in a section headed “Best Practice”. This is important. CLG colleagues will want to be able to illustrate reports to Ministers and departments with “real life, real time” examples. We also need to help them produce aggregated analyses.</p>			
Named Partners			
<p>This part of the report will reflect on whether the right named partners are in place and the extent to which the “duty to co-operate” is fully understood. It will draw on the evidence GOs capture around:</p> <ul style="list-style-type: none"> • partners being clear on their role, and folding the LAA targets in their own work/business planning • partners taking full advantage of the possibilities provided by ABG delivering more through pooled budgets 			

- whether Compact principles are serving the Third Sector effectively

Where the GO has concerns these will be covered off by a section headed “Action”. Where the GO has identified good practice this will be covered off in a section headed “Best Practice”. **This is important. CLG colleagues will want to be able to illustrate reports to Ministers and departments with “real life, real time” examples. We also need to help them produce aggregated analyses.**

New ways of working and innovation

This part of the report will provide a GO view on topics including:

- What steps, if any, have been taken towards a more preventative approach to achieving outcomes?
- Evidence of partners taken a “whole systems” approach to service delivery (and notably those that involve end users)
- Examples of service transformation and re-design
- Joint appointments and commissioning
- New service deliverers especially the Third Sector

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Accountabilities to citizens

This will be a crucial part of review and GOs will need to understand and seek examples of:

- What steps have been taken to strip out the jargon and translate the LAA publicly in a way that makes sense to local people
- How the local authority and its partners “reads” and engages with its communities
- How engagement extends to hard to reach and marginalised groups
- How communities and their representatives have been engaged effectively in developing the outcomes for their area and in assessing whether they have been delivered
- Whether commitments made in partner strategies around community involvement in service design make their way into delivery
- Approach to the “Duty To Involve”

GOs will use the agreed NI 4 “assurance” methodology and framework to capture this information. Where the GO has concerns these will be covered off by a section headed “Action”. Where the GO has identified good practice this will be covered off in a section headed “Best Practice”. **This is important. CLG colleagues will want to be able to illustrate reports to Ministers and departments with “real life, real time” examples. We also need to help them produce aggregated analyses.**

Section 3: Target Analysis

This part of the review will examine current performance and trends. It will enable the GO to form a view on:

- The designated targets that present the greatest risk to the achievement of PSAs
- The robustness of action taken by the partnership to get performance back on track

Review would look intensively only at those targets causing concern. Both the review process itself, and the GO report, would in the majority of cases take a “by exception” approach.

On track to meet agreed LAA targets

NI No.	Name of NI

Off trajectory but expected to meet agreed LAA targets by end of the LAA period

NI No.	Name of NI
At risk of missing agreed LAA targets by end of the LAA period	
NI No.	Name of NI
Issues/obstacle to delivery	
Mitigating actions	
Targets where progress cannot be reported because of data issues	
NI No.	Name of NI
Issue	
Activities in place to maintain delivery momentum	