

LOCAL AREA AGREEMENTS – the next steps...

“Negotiating New Local Area Agreements” – 18 September 2007

On 18 September 2007, the Department for Communities and Local Government (CLG) published “Negotiating New Local Area Agreements”, the first of two documents setting out expectations for the negotiation process for new LAAs. A second document detailing the technical requirements for new LAAs is expected imminently.

By way of reminder, the new-style LAAs to come into effect from July 2008 will:

- include ‘up to 35’ targets which local authorities and their partners negotiate with central Government drawn from the new national indicator set. The new national indicator set will include 198 performance indicators (as referenced within the CSR) and will replace BVPIs and indicators used to monitor area-based funding programmes. New LAAs can also include additional ‘local’ targets though these carry no central reporting requirements.
- include 17 statutory education and early years targets. These will be drawn from the new national indicator set and should not be viewed in isolation.
- be based around four themes – Children & Young People; Safer & Stronger Communities, Healthier Communities & Older People; and Economic Development & the Environment – though LAA funding streams will no longer be tied to these themes.
- underpin the new Comprehensive Area Assessment (performance management) regime to be rolled out nationally as the replacement to Comprehensive Performance Assessment (CPA) from April 2009.

The first document is very non-prescriptive. It provides some general direction but is more generally based on case studies and comments from those involved in the new-style LAA “dry run” negotiations. It does, however, draw out four key elements of the process that local authorities need to get right to successfully negotiate a new LAA:

1. *The ‘story of place’*

It is envisaged that the ‘story of place’ is articulated through the Sustainable Community Strategy for the area and that this ‘story’ sets out where an area has come from, where it is at, and where it wants to be. The story should be evidence based and should be owned and signed off by local strategic partnership partners. The involvement of the business and third sectors and district level partners in two-tier areas should remain central throughout the process.

A consultation draft of the statutory guidance on Place Shaping is expected in November (dependent on Royal Assent of the Local Government and Public

Involvement in Health Bill) though CLG have made it clear that no area should wait for further guidance to be developing or refining their 'story'.

The evidence base is of vital importance as an LAA based on rigorous analysis of data will provide local partnerships with the confidence to prioritise issues and enable them to take bold decisions in shifting resources to need.

2. Identifying priorities

The 'story of place' should be the foundation for shaping the LAA and identifying up to 35 priorities. Suggestions for approaching this include:

- focusing on key topics or issues and the desired outcomes associated with these;
- developing a hierarchy of indicators: first, where performance could be improved (but are also national priorities), second, where performance could be improved (but are solely local priorities), and third, where indicators help with performance management and monitoring within the LAA;
- using a set of criteria to test the inclusion of indicators in the LAA;
- showing how groups of outcomes and indicators connect with each other and how this links to the overall picture of a sustainable community; and/or
- using the agreed local indicators to identify which national priorities fit with the local picture (once the national indicators set is published).

3. Involving councillors

The document recognises the role of local councillors in defining the story of place, articulating political ambitions, assessing data, agreeing priorities, leading negotiations and providing scrutiny and accountability. The need to engage other local governance structures, e.g. PCT Board, is also highlighted.

This reinforces the role of the Cheshire Governance Board in the development and negotiation of the refreshed Cheshire LAA.

4. Relationship with the Government Office

A constructive and productive relationship with the relevant Government Office is identified as a pre-requisite to the development of a strong and robust Agreement. Government Offices in turn, will be charged with:

- pushing local areas to be ambitious;
- working wherever possible with the same data set as the local area;
- looking at causation when thinking about priorities so that underlying issues are tackled;
- looking for opportunities to develop new themes to address complex, cross-cutting problems like climate change; and
- thinking about whether issues cross boundaries and, consequently, may benefit from a Multi-Area Agreement approach.

Greg Burke has been identified by GONW as the senior officer to work with the Cheshire LAA Group throughout the development and negotiation process and support Nigel Burke as the lead negotiator for Cheshire.

2007 Pre-Budget Report and Comprehensive Spending Review – 9 October 2007

The 2007 Pre-Budget Report and Comprehensive Spending Review – “Meeting the aspirations of the British people” – presents updated assessments and forecasts of the economy and public finances, describes the reforms that the Government is making and sets out the Government’s priorities and spending plans for the years 2008-09, 2009-10 and 2010-11. The report outlines 30 Public Service Agreements that articulate the Government’s highest priority outcomes for the forthcoming period under the headings of:

- sustainable growth and prosperity;
- fairness and opportunity for all;
- stronger communities and a better quality of life; and
- a more secure, fair and environmentally sustainable world.

The 2007 CSR also announces a third round of reward grant. The Government will set out the level of funding available in November 2007 and will then test with local stakeholders the model for distribution of reward funding with a view to finalising it in January 2008.

“The New Performance Framework for Local Authorities & Local Authority Partnerships: Single Set of National Indicators” – 11 October 2007

The new framework published on 11 October sets out the headline definitions of the 198 indicators underpinning the new performance framework (see Appendix A). Performance against each of the 198 indicators will be reported for every single tier and county council Local Strategic Partnership.

The national indicator set will be the *only* measures on which central government will performance manage outcomes delivered by local government working alone or in partnerships. From April 2008, all other sets of indicators, including Best Value Performance Indicators and Performance Assessment Framework indicators, will be abolished.

As the new performance framework is focused on outcomes and their delivery through stronger partnership working, the same indicators will be used for different local partners as relevant. Therefore, many of the indicators in this set will also apply to the police, primary care trusts and other local bodies.

The Government are soon to consult on the technical definitions of the indicators, giving stakeholders an opportunity to give views on the methodology, frequency of reporting, and data source of each individual indicator.