

Local Area Agreements - Is the new performance framework working? A survey of councils

1. Summary

This report provides information about a survey of council chief executives carried out by the LGA. The survey asked for views on the progress to date of key aspects of the New Performance Framework, assessed the Local Area Agreement negotiations and the National Indicator Set, asked questions about the new Regional Improvement and Efficiency Partnerships, and aspects of the proposals for the forthcoming Comprehensive Area Assessment.

A summary of the findings is provided as an appendix, and the full survey report is available on request (contact details below).

2. Recommendations

- *LGA should publish and disseminate the survey findings as a contribution to the debate about central/local relations and the management and assessment of local government performance.*
- *LGA should review the findings with the department for Communities and Local Government (CLG), the Audit Commission, and the RIEPs, as appropriate. The findings should also be discussed with LGA staff involved in different service and policy areas to develop thinking on how performance arrangements should be further developed.*
- *LGA should develop and publish proposals, in dialogue with councils, to make further progress in the balance of power between central and local government, particularly in the areas of concern identified in the survey. This is likely to include contributing views on performance arrangements to the forthcoming Comprehensive Spending Review. These proposals will be developed in the light of views expressed by the Improvement Board.*

3. Action

LGA staff to progress the above recommendations



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Background

1. *The New Performance Framework follows the Strong and Prosperous Communities White Paper of autumn 2006. The key elements of this are*
 - *the new Local Area Agreements*
 - *the rationalising of performance requirements with the creation of the National Indicator Set*
 - *the reduction of ring-fenced grants into the Area Based Grant*
 - *the Comprehensive Area Assessment*
 - *the development of Regional Improvement and Efficiency Partnerships.*
2. *The intention was to strengthen local democracy, create more decentralisation, and bring interventions and priorities of different Whitehall departments into a more coherent framework. Much of this is now in place; the remaining element, the CAA, is still developing and the subject of consultation. To help assess the degree of progress which has been made, the LGA carried out a survey of council chief executives in England in September and October 2008. A survey of chief executives (rather than councillors) was thought most appropriate, as many of the issues, for example on performance, and on the LAA negotiations were managerial in character.*

General perceptions of the New Performance Framework

3. *The findings show that the progress towards an appropriate central/local balance is still limited. Chief executives were most positive about progress made in developing the leadership role of councils in relation to other public services, and through the definition of priorities using Local Area Agreements. Two thirds of chief executives evaluate progress here as either great or moderate.*
4. *More than half of chief executives described the progress towards strengthened local democracy, and reduction of central assessment and inspection, as little or no progress having been made. On financial autonomy, 89% of chief executives described the situation as little or no progress.*
5. *Council chief executives feel there is much further work to be done, beyond the elements of the New Performance Framework, if an appropriate balance between central and local powers is to be found.*

Views of the Local Area Agreement negotiation process

6. *On the recent LAA negotiations, councils are generally positive about the role of local partners and the Government Office for the region, less so about the role of Whitehall. There is substantial concern about the quality of the National Indicator Set, both its scope as the basis for identifying shared central/local priorities, and the quality of many indicators as measures of the issues to which they relate. Many councils signed up to LAAs which include priorities they did*

not want, because they were priorities for the government; half say this happened to a great or moderate extent. However, 60% are satisfied or very satisfied with their LAA as a whole, with only 13% dissatisfied or very dissatisfied.

Organisations with a duty to co-operate with the LAA process

7. The creation of a legal duty to co-operate with the LAA negotiations and 'sign up' to particular targets, was one of the important innovations of the new legislation. Chief Executives felt that the police, Primary Care Trust and fire authorities co-operated well, with Jobcentre Plus also assessed positively.

Support for Improvement

8. Regional Improvement and Efficiency Partnerships (RIEPs) are positively evaluated, with chief executives appearing well informed and well engaged with their work. The survey also shows very strong support for the principles of sector-led arrangements for improvement, and for a clear opportunity for sector-led engagement before any Whitehall improvement notice could be issued.

Comprehensive Area Assessment

9. More than two-thirds of respondents felt that, to a great or moderate extent, the Inspectorates' proposals for CAA met the White Paper ambition. Chief Executives are concerned about a number of aspects of the still-evolving Comprehensive Area Assessment (CAA). Less than a third agree that CAA will achieve the right balance between assessing outcomes and assessing organisations. More than half (55%) hold the view that this will not represent a reduction in the burden of inspection, that the priorities of elected members will not be sufficiently taken into account, and that CAA will not be sufficiently citizen-focussed. We found strong support for the involvement of member and officer peers in the assessment.

Publishing and using the survey findings

10. We will publish the full survey report and promote awareness of its findings. We will also discuss findings with Whitehall and the Audit Commission. We will also highlight positive achievements. We will also take action to address problem areas such as aspects of the National Indicator Set and monitor the developments of elements of CAA proposals which are of concern.

11. The survey provides clear evidence that the New Performance Framework does not go as far in terms of decentralisation as chief executives would wish. Aspects of the performance framework will be under debate as the government develops its priorities for the years after 2008-11, through the framework of the Comprehensive Spending Review (CSR). The LGA will contribute to CSR debates on public spending and will develop proposals on the further development of performance arrangements taking into account councils' ambitions for decentralisation. We welcome views from the Improvement Board.

Financial Implications

12. The cost of publishing the survey findings will be met from existing budgets. The report has no other financial implications for the LGA.

Implications for Wales

13. The survey was of chief executives in England, and these elements of the New Performance Framework are not being implemented in Wales.

Contact Officer: Jo Dungey
Phone No: 020 7664 3162
Email: jo.dungey@lga.gov.uk