

Local Area Agreements

Summary

The report provides an update on recent developments in relation to Local Area Agreements (LAAs). These issues are: the annual review of LAAs and in particular the implications of the economic situation for some targets; work towards implementation of scrutiny powers in relation to LAAs; the current review of the National Indicator Set; and proposals for new work on district, area and ward-level engagement with LAAs.

Recommendations

The Board is recommended to:

- note progress on the annual review of LAAs, including renegotiation of targets affected by the economic downturn
- support that LGA works with the Centre for Public Scrutiny to ensure support for implementation of new powers of scrutiny of LAAs
- support LGA work to engage councils in the review of the National Indicator Set
- support LGA/IDeA work on developing and implementing LAAs at a district, area and ward level (including two tier working), including any examples of current good practice.

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Local Area Agreements

LAA Annual Review

1. Although LAAs are three year agreements, there is an annual review between the council(s), the Local Strategic Partnership and the Government Office for the region. The first reviews are underway and will need to be agreed by the end of March 2009.

These negotiations include:

- review of performance against targets (limited information available in first year)
- setting targets which were deferred earlier this year, either because baseline information was not available or because the final definition of the indicator had not been decided
- renegotiation of targets which are likely to be affected by the developing economic situation.

2. LGA has been lobbying government on the need for some LAA targets such as worklessness and housing supply to be reviewed in light of the current economic situation. Local Government Minister John Healey and Communities and Local Government (CLG) staff have now acknowledged that some targets will need to be reassessed but each will need to be reviewed on the basis of local evidence. This is important because:

- councils may identify actions which the government or partner organisations could take which would contribute to the achievement of targets
- performance against targets will be reviewed as part of the CAA process.
- performance against LAA targets determines reward grant payments.

3. Feedback from councils so far is that a high proportion wish to reassess targets on issues such as housing and worklessness, and in principle the government accepts this. However it is difficult for localities to predict economic developments over the 2008-11 period with sufficient precision to set appropriate targets. The Audit Commission has said it will take account of the economic climate in assessing performance for CAA and will look at evidence of how councils and partnerships are working together to tackle the problems this creates. LGA staff will monitor the progress of the LAA review.

Scrutiny of LAAs

4. CLG has been consulting councils and others about the (delayed) implementation of powers to support scrutiny of LAAs and LAA partners. Following the end of the consultation LGA hosted a workshop for councils, CLG and the Centre for Public Scrutiny (CfPS). Regulations need to be produced on information which can be required from partner organisations signed up to LAA targets, and on aspects of scrutiny of LAAs in two tier areas. LGA will comment on draft Regulations in early 2009. The Regulations are on detailed technical

matters, but until they are finalised and agreed by Parliament, the Secretary of State will not bring into law the wider powers underpinning council scrutiny of LAA partners. Councils can carry out scrutiny of LAAs now, and many are doing so, but partner bodies are not yet under any legal obligation to take part or have regard to scrutiny recommendations. Commencement of the legislation is now planned by CLG for 1 April 2009. With the support of LGA, the Centre for Public Scrutiny has been commissioned to produce good practice guidance, and to work with the Regional Improvement and Efficiency Partnerships (RIEPs) to support implementation of the powers. The role of scrutiny in CAA will also be highlighted.

Review of the National Indicator Set

5. CLG has started a review of the National Indicator Set (NIS), with the aim to improve and develop it for the next three year phase of LAAs (assuming there is one). LGA aims to promote opportunities for council expertise to be engaged with this review. The National Indicator Set, announced in the 2006 Local Government White Paper, was seen by LGA as a significant step forward. It has brought greater discipline to government departments in restricting what can be imposed on local authorities as nationally required performance information and targets. But the present NIS has plenty of problems. Many indicators were developed late or are poorly defined. The Board may wish to give views on the future of the National Indicator Set. For example, should LGA be pushing for further radical simplification/reduction of the National Indicator Set, or would it be better at this stage to aim to get something like the present indicators up to a fit for purpose standard?

LAAs at the district, area and ward-level

6. Engagement with LAAs at more local levels (ward, neighbourhood, district) is an important means to involve more councillors in setting and achieving LAAs. LGA and IDeA are proposing work to identify good practice and promote this further. This could include:

- **targets:** setting targets at very local level in order to build up the council-wide (or county-wide) target
- **performance:** identifying specific small areas where problems are most concentrated; providing ward-level, or other very local information about problems and performance;
- **partnerships:** arrangements at a very local level which link to the LAA at a council-wide/county-wide level, which could be area arrangements looking across the range of services, or with a single focus such as partnerships between council and police at a neighbourhood level.

There is a great deal of interesting practice developing locally, and we propose work to publish case studies and possibly a new publication on this. The objective would be to share experience, but to avoid setting out one model of working to be applied to every place. Board members may have examples of work being done in their area, and other comments would be welcome.

Financial Implications

7. This work would be carried out within existing budgets and resources of the LGA and IDeA.

Implications for Wales

8. LAAs are not being implemented in Wales.