



# Local Area Agreements

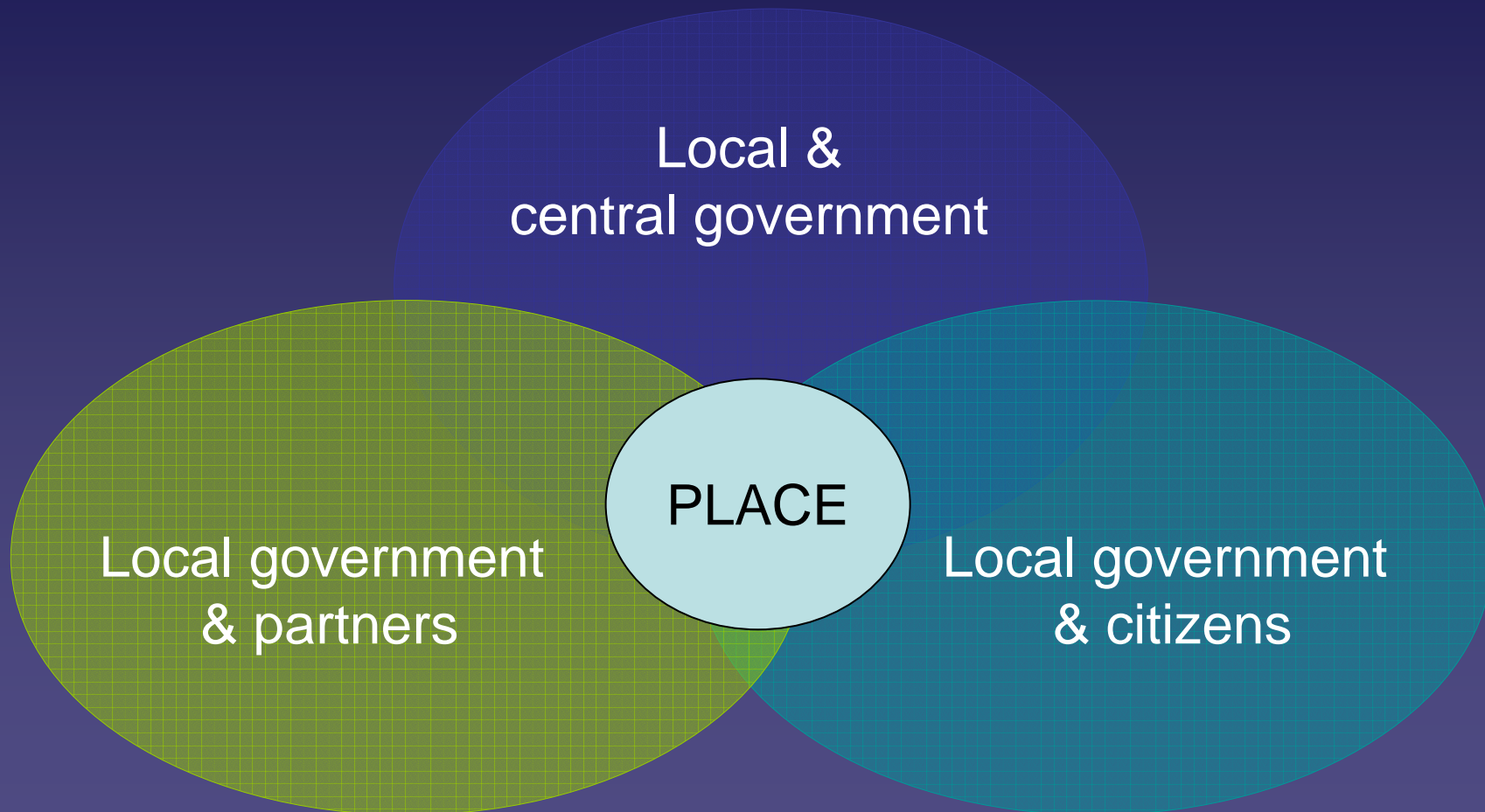
## From the margins to the mainstream?

**Paul Jones**

**Local Government Team**



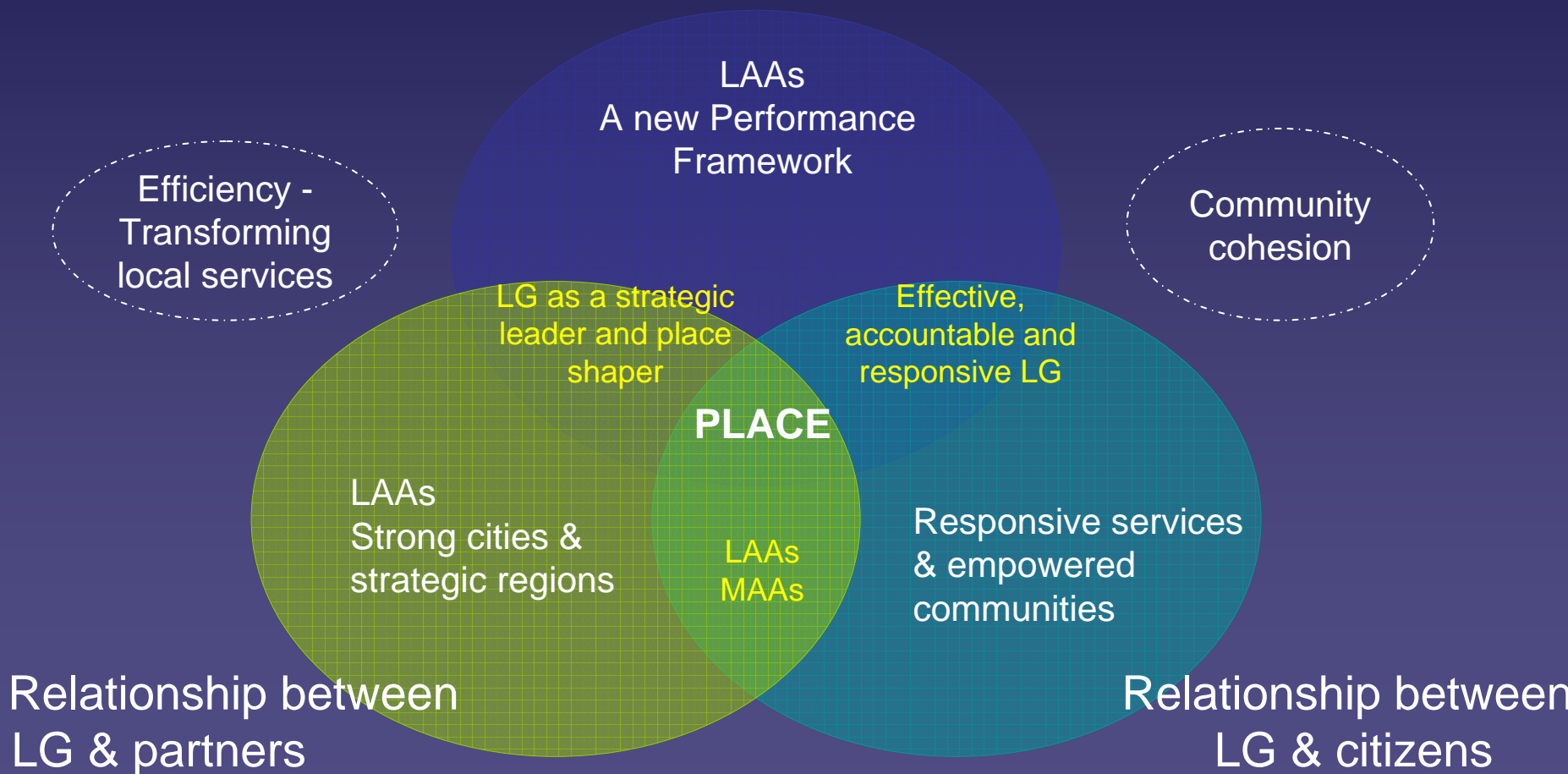
# Strong and prosperous communities - changing relationships





# Strong and prosperous communities – the context

## Relationship between local and central government





# The big drivers

- LAAs shaping places
- New Performance framework



# The Local Government White Paper



## Offers:

a stronger role for local authorities to lead their communities, shape their areas, and innovate in response to local needs

## In exchange for:

more bottom-up accountability, better and more efficient services and tougher intervention when things go wrong

**White Paper positions LAAs at the heart of the new performance framework - applying to all outcomes delivered by local government working alone or in partnership**



## Local Area Agreements

“The primary aim of LAAs is to facilitate the delivery of better public service outcomes through partnership”



# 'Place-shaping' and stronger partnerships

- duty on LAs to develop LAAs in partnership with other agencies
- duty on LAs & named partners to co-operate in agreeing LAA targets and to have regard to meeting them
- LSPs as a single over-arching partnership setting strategy & priorities – delivery through individual partners and thematic partnerships
- LA leaders to play a key role on LSPs, with the opportunity to agree the chair



# LAs are changing





## *LAA Mk II- Key differences*

- (up to) 35 + 18 Priorities reporting to Government
- ( X ) Local Priorities with equivalent status
- No Block structure
- No longer about specific funding for specific targets



## *LAA Mk II- Key differences*

- LAAs will be the **only** place where targets are agreed with government on outcomes delivered by local government on its own or in partnership - with a radical reduction in overall target numbers



## *LAA Mk II- Key differences*

- LAAs will provide more freedom to include local priorities – within the overall framework, but no requirement to report



## *LAA Mk II- Key differences*

- LAAs no longer about specific funding for specific targets....
- The decision on how much funding should be used to support delivery of local and national priorities will be determined locally.



## New LAAs – Timetable

# ***New LAAs to be in place in all areas from June 2008***

Now ...ongoing	Local partners to review Sustainable Communities Strategies & build partnership capacity to prepare for new LAAs
Now – early summer	Joint development of detailed plans for handling the implementation of new LAAs & the 2008/09 year, including changes to inspection arrangements
April – July 07	Feasibility testing in a few areas: <ul style="list-style-type: none"><li>• key stages/success criteria for LAs &amp; partners to agree 35 targets</li><li>• getting cross-Government view of how national priorities impact locally</li><li>• the negotiating framework for getting central-local agreement to the LAA</li></ul>
Summer	Transitional reviews of current LAAs – to make room for negotiation of new LAAs
Late Summer	LAA operational guidance – building on the lessons from the feasibility testing
Autumn	CSR announcement – funding, national outcomes & (partial) set of 200 national indicators
Autumn 07 – March 08	Negotiation of new LAAs in all 150 areas.
June 08	Ministerial sign off



# LAAs – Some Challenges

- **Locally**
  - Getting heard
  - Balance between national and local
  - Moving away from the silos into cross cutting agenda
- **Nationally**
  - Momentum
  - Government buy in
  - Speed v Quality



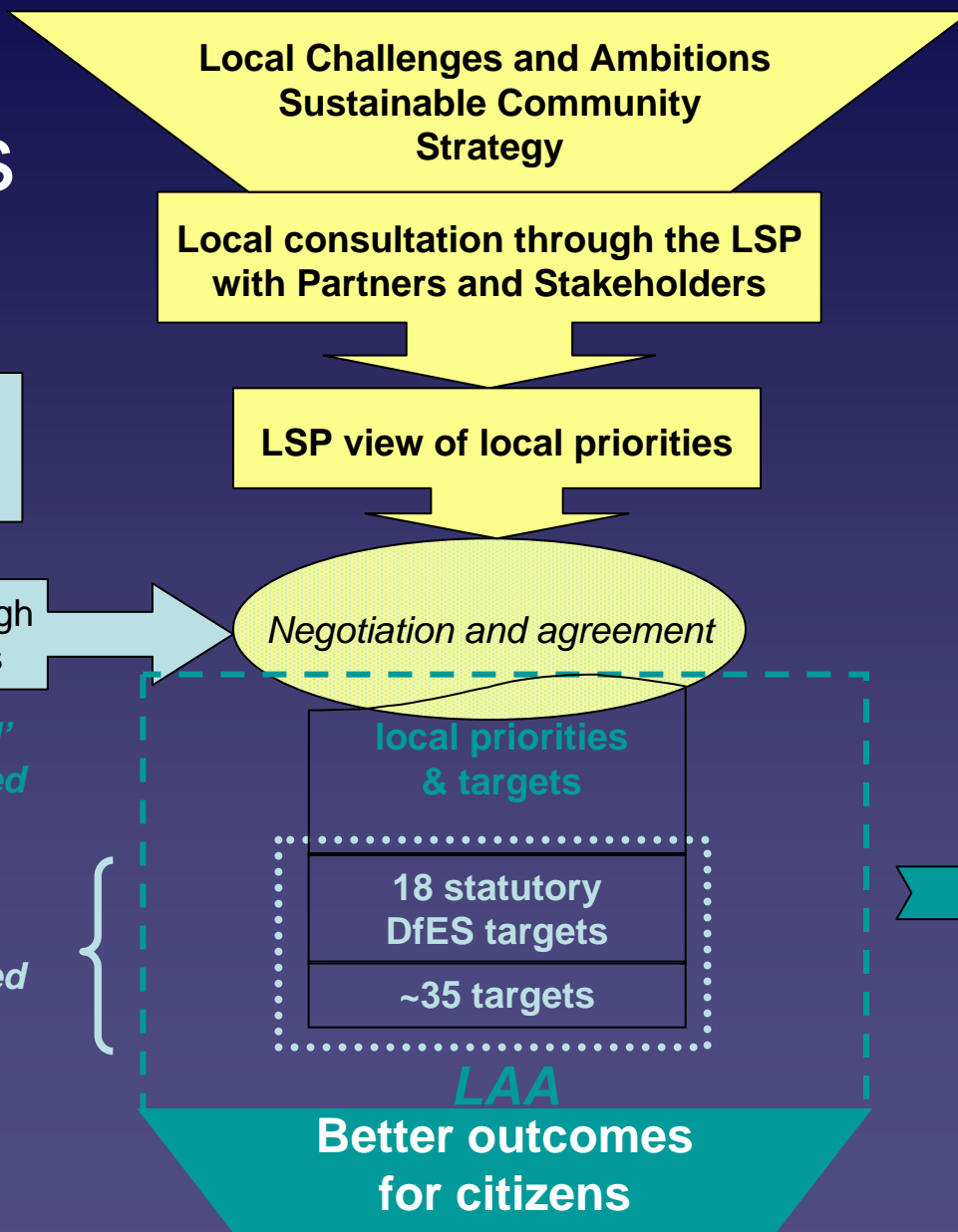
# The Mark 2 LAA...

- From the margins to the mainstream. Not an add on
- Critical to delivery of the new central/local relationship
- No longer about specific funding for specified targets
- 35 +18 targets covering everything local government delivers on it's own or in partnership
- THE contract between Government and the PLACE
- Begins 2008 –preparing now!





# New LAAs



CSR07 national priority outcomes & 200 national indicators

Cross -Govt view through GOs on local priorities

*'Non-designated' targets monitored only by LSP*

*'Designated' targets monitored by LSP and GO*

LSP view of local priorities

*Negotiation and agreement*

local priorities & targets

18 statutory DfES targets

~35 targets

LAA

Better outcomes for citizens

local accountability to citizens



LOCAL PRIORITIES

LAA FOCUSED ON 35+18 IMPROVEMENT TARGETS + LOCAL TARGETS

NATIONAL INDICATOR SET (200)

COUNCIL TAX/  
FEES &  
CHARGES

OTHER  
MAINSTREAM  
FUNDING (EG  
POLICE, PCT)

FORMULA GRANT  
(RSG & NNDR)

AREA BASED  
LAA GRANT

RINGFENCED  
GRANTS

REVENUE  
CAPITAL

PSAS +  
DSOs

SINGLE CAPITAL POT

LOCAL FUNDING SOURCES

Ringfenced

Unringfenced

CSR 07

GOVERNMENT FUNDING SUPPORT



# Feasibility Testing for new LAAs ‘Lessons Learned’



# Contents

- Objectives and scope
- The process
- What was tested?
- Lessons learned
- Next steps
- Supporting papers



# Objectives

- By summer 2007 to:
  - Identify critical success factors for negotiating priorities and targets for new LAAs
  - Identify ways of overcoming specific challenges
  - Produce a clear and workable framework for local authorities, their partners, Government Offices and Central Government Departments to identify the priorities to be included in LAAs for 08/09 and the negotiation framework for improvement targets
  - Contribute to the development of operational guidance which is light touch and meets the information requirements for local authorities and their partners



# Scope

- Work with 17 local authorities and their partners, Government Offices, central government departments and the Audit Commission to test and further develop proposals on:
  - What sources of evidence are or will be available to inform the national priorities and improvement targets included in each LAA negotiated for 2008/09
  - How best to use the sources of evidence to inform the decision on priorities
  - How the decision making process might work, including:
    - how each local authority and its partners will identify and agree their priorities
    - how central government, government offices, local authorities and partners work together to agree priorities for each area
    - how to reach final agreement on the targets to be included in the LAA



# Approach

- Problem solving, collaborative approach involving Partnerships, GOs, Departments and Audit Commission
- Main focus on identification and agreement of up to 35 priorities and improvement targets, but also scope to consider themes in more detail (eg 2-tier areas, handling of LAAs focusing on overarching theme, how to work with particular Departments)
- Led by consultants, with small group of Departments, GOs and Partnerships involved in early detailed design of the programme
- Close links with development of the National Indicator Set
- Participating Partnerships will be exempt from the formal LAA Annual Review process in June



# Process

3 distinct phases, focused around 2 workshops

## Phase 1: Preparation

- Partnerships consider what they want from testing, develop and test local processes for agreeing selection of priorities for LAA
- GOs and Departments agree how central government organises itself

### 1<sup>st</sup> Workshop 1st May

- Identification of generic process issues, potential problems and possible solutions



## Phase 2: Identification of Priorities

- Partnerships identify priorities
- GOs and Departments consider which places are most important to them

2nd Workshop 12th June

- Work through key options for the negotiation process in the light of priorities put forward by Partnerships



## Phase 3: Negotiation/Dissemination

- Process to be completed by end July.
- Findings and lessons learnt to be brought together and disseminated to all Partnerships during summer.



# Who participated?

- Westminster
- Barking & Dagenham
- Suffolk
- Shropshire
- Coventry
- Leeds
- Sheffield
- Hartlepool
- Stockton
- Swindon
- Bournemouth
- Windsor & Maidenhead
- Kent
- Derbyshire
- Northamptonshire
- Oldham
- Cumbria



# What was tested?

Finance  
Working across Depts  
CAA

Est priorities  
(LSP, GO & Depts)  
Involving members  
Spatial level for priorities

Bringing everyone  
Together  
'The whole process'  
Conflict resolution  
and  
BP for negotiation

Evidence base & data sets  
Telling the story  
Developing specific  
themes & cross cutters  
Identifying key stakeholders

GO negotiating  
role &  
Departmental  
Interface  
Prioritising



Government Office for the South West  
representing central government in the south west region

GOSW

# Lessons learned



Departments

Emerging policy  
agendas, PSAs,  
CSR 07 & NIS

GO's

Input from Audit  
Commission,  
RDA, health &  
others

**NEGOTIATION  
AROUND  
PRIORITIES**

Working with  
place, thematic  
input & regional  
strategies

Regional  
agencies

SCS & existing  
LAA, outcomes  
from review,  
consultation &  
inspections

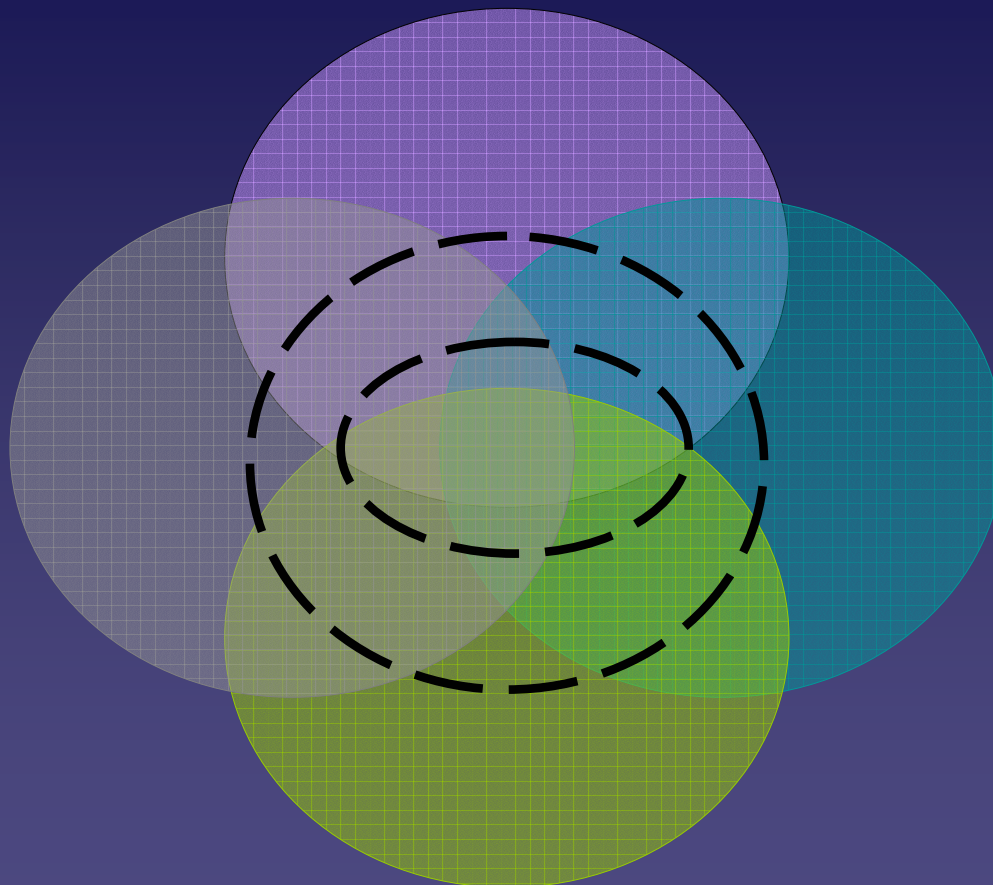
Localities



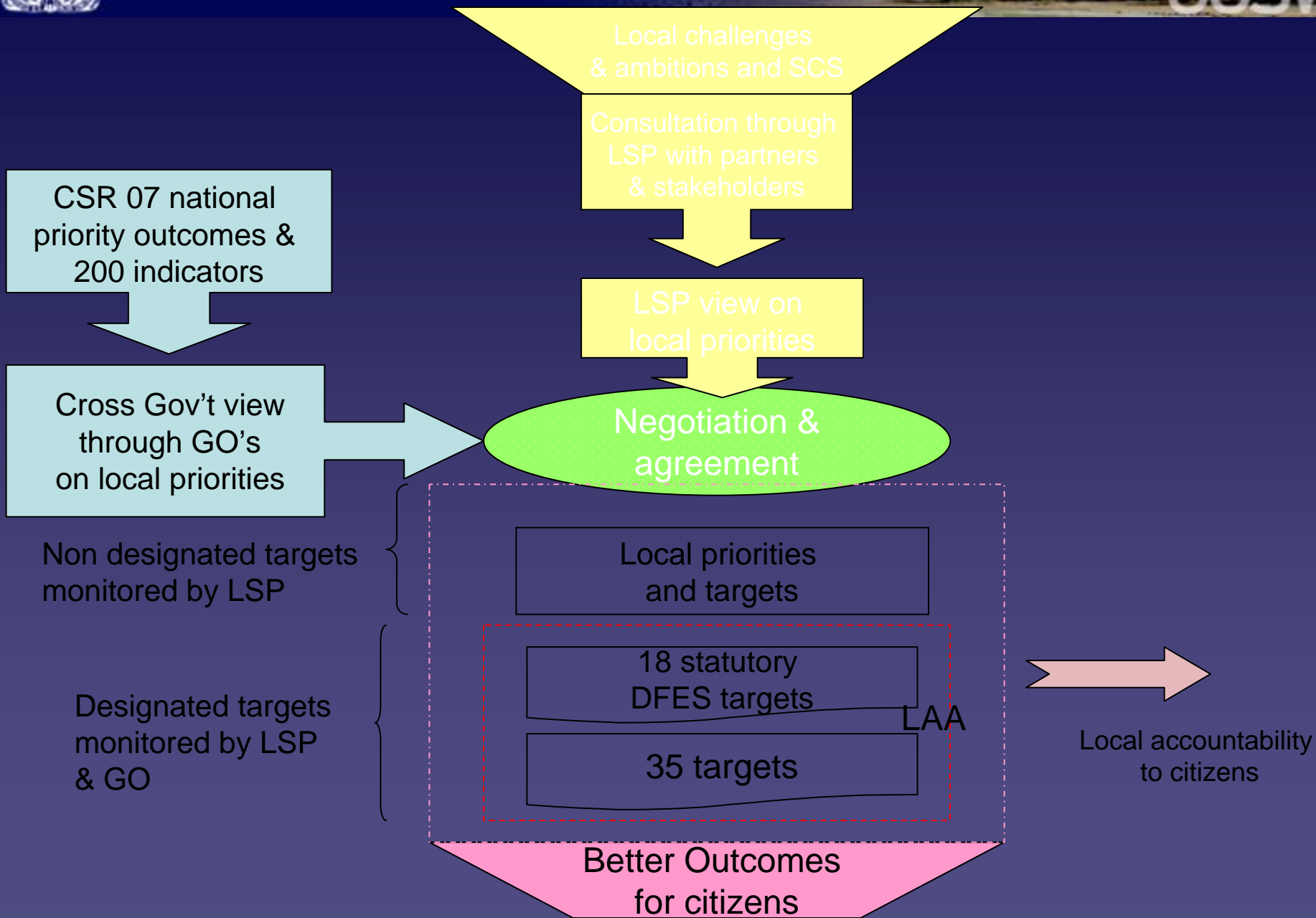
**Government  
Departments**

**Regional  
Stakeholders**

**Government  
Office**



**Locality**





# Lessons Learnt

- Core purpose – Perf Mgt or ‘place shaping’
- Evidence base, similar issues expressed in different ways – telling the story and agreeing priorities
- Where and how do you start – build from SCS and LAA
- Bringing it all together? A key role for GOSW
- Priorities should lead to indicators, themes lead to silo’s
- Will NIS lead to menu driven approach?
  - Is it essential to have NIS early?
  - Will there be any mandatory indicators?



## Lessons Learnt (cont'd)

- Developing and resourcing a cross cutting approach
- Cross Departmental view on priorities?
- Identifying priorities for partnerships and ensuring buy-in. Duty to cooperate
- Finance and priorities?
- What would CAA deliver & how would it help?
- Identifying issues for MAAs
- Developing CAA
- 'Legacy' issues from existing LAAs



## Lessons Learnt: local areas

- Conveying the story of the place is key – understanding what lies behind the choice of priorities with clear evidence of need and engagement of local communities and partners
- Critical for members to engage in leading the local debate
- Need for balance between delivering long term ambitions and addressing current performance issues
- Partnerships should not be constrained by the blocks/themes used in previous LAAs – real opportunity to tackle cross-cutting issues (e.g. deprivation, economic development)
- Need to balance public services and creating prosperity
- Agreeing 35 priorities locally is not always easy and takes time
- No need to wait for guidance – for many issues (e.g. handing in two tier area) the solutions need to be local and work can start now



# Lessons Learnt: GOs

- Need for consistency and clarity in GO role (leading negotiations on behalf of Whitehall)
- Importance of clear communications between Departments and GOs on national priorities (to inform negotiations)
- Critical to ensure negotiations are informed by consensus about the data sources that underpin the selection of priorities
- Ensuring enough GO capacity to lead negotiations in 150 areas
- Important role in supporting areas to prepare LAAs – and spreading learning from feasibility testing



# Lessons Learnt: Whitehall

- Government needs to be better at developing a coherent view about which national priorities are important and where – not assume everything is important everywhere
- Developing an effective and coherent indicator set is critical – and there needs to be a presumption against mandatory indicators. Importance of being able to set indicators for districts and neighbourhoods
- Need to clarify future arrangements for CAA – and what will happen in period before it is introduced
- Further joint work needed to assess what guidance might be needed on specific issues – such as finance and accountability, especially in two tier areas; what new duties meaning practice; future of reward



## Lessons for Locality Managers

- Preparing the evidence base - be proactive
- Involving other stakeholders – cultivate input early
- Key performance issues and opportunity across partnerships
- Process and quality
- Priorities & outcomes then NIS
- Get close, engage and challenge



## Next steps

- Road-testing ends 13 July, but learning can continue beyond that
- Dissemination of findings to follow during the summer
- Collaborative follow-up work on key issues
- Feeding in to development of statutory and operational guidance to be published following CSR announcement
- Continuing to prepare now at all levels – national/regional/local for new LAAs



# Supporting Papers

- Intro – ‘roadtesting the LAA process’
- This presentation & OPM summary on intranet
- Summary of FT proposals from 17 LA’s
- Summary of Dept’s approaches to FT and establishing the evidence base
- Summary of GO approaches to gathering evidence
- Swindon\* & Bournemouth views
- GOWM summary