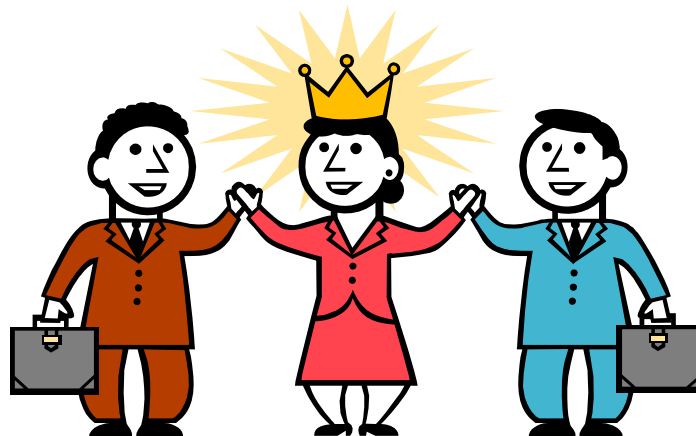




LOCAL PERFORMANCE FRAMEWORK AND LAAs

The Prize

- A fundamentally new set of relationships between government, local areas and communities which secures better outcomes for local people.



Context – New Performance Framework

- **Better outcomes for citizens and communities.**
- **Single focused set of national priorities – 198 national indicators.**
- **Shared priorities for action through LAAs** - up to 35 + local targets; no mandatory targets; duty to co-operate and have regard to targets.
- **Effective co-ordination of sub-regional outcomes through MAAs.**
- **New, integrated, proportionate assessment regime – CAA.**

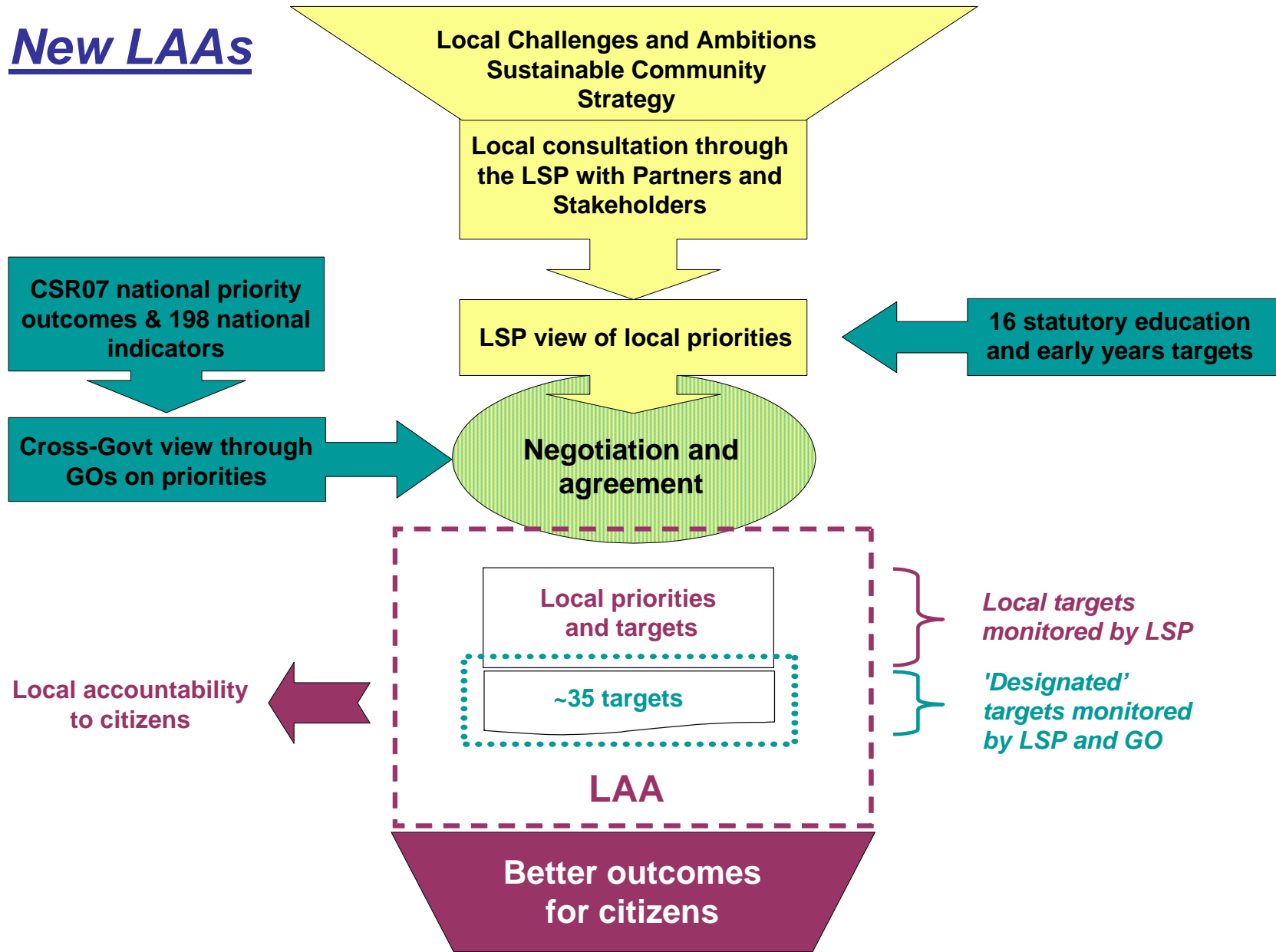


Context – New Performance Framework *(Continued)*

- **Capacity and capability to deliver** - national improvement and efficiency strategy, regional partnerships.
- **Coherent legislative framework in LGPIH Act 2007** - statutory LAAs, duty to involve, duty to co-operate (Police Authorities, PCTs Jobcentre Plus, TfL, etc), Best Value and commissioning.
- **Financial incentives** – new area based grant with £5bn reduction in ring fencing, and announcement of third round of reward grant.



New LAAs



Local Challenges and Ambitions
Sustainable Community
Strategy

Local consultation through
the LSP with Partners and
Stakeholders

LSP view of local priorities

16 statutory education
and early years targets

CSR07 national priority
outcomes & 198 national
indicators

Cross-Govt view through
GOs on priorities

Negotiation and
agreement

Local priorities
and targets

~35 targets

Local targets
monitored by LSP

'Designated'
targets monitored
by LSP and GO

Local accountability
to citizens

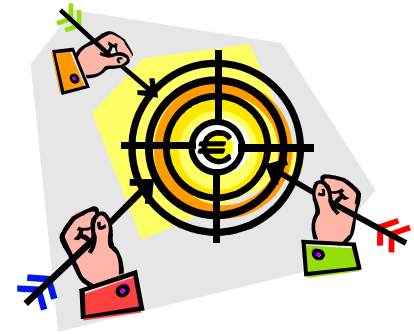
LAA

Better outcomes
for citizens

LAA Design Principles



Negotiating LAA Targets



- **Levels at which designated targets can be set:**
 - Some of national indicators will be defined at district or neighbourhood level anyway.
 - Can agree targets at a lower spatial level or for particular groups, where there is a case to do so and local partners agree to additional voluntary reporting.
- Designated targets expected to be **stretching targets** and have **agreed trajectories**, including at least annual milestones – ‘a contract’ against which progress will be reviewed.
- **GO responsible for resolving disputes** before their recommendation goes to Ministers.

LAA Performance Management

- LAs and partners responsible for performance managing local delivery.
- Delivery of national priorities will be monitored using data on all 198 indicators, with particular focus on the up-to-35 designated targets and trajectories.
- From 2009, **Comprehensive Area Assessment** will provide judgement of delivery and risks – drawing on local self-assessments and reviews.
- GOs will hold an **annual review** with the LSP, drawing on CAA judgements, and identify any follow-up actions they need to be involved in, including any renegotiation of targets.
- **First annual review will be in autumn 2009** – transitional and forward looking as so soon after LAAs agreed i.e. focus on robustness of delivery arrangements & baselining performance where not available at sign-off (not expecting changes to targets, but could be raised on case-by-case basis).

What is CAA? – Key Components

- **For Areas:** annual area risk assessment (“prospects for the area and the quality of life for local people”) by inspectorates jointly.
- **For Councils:** annual use of resources judgement (by appointed auditor with input from other inspectorates) and annual direction of travel assessment (by inspectorates jointly).
- **For FRAs:** annual use of resources judgement (by appointed auditor *with input* from other inspectorates) and annual direction of travel assessment (by Audit Commission only).
- **For NHS bodies (not Foundation Trusts), and police authorities:** Use of resources judgements.

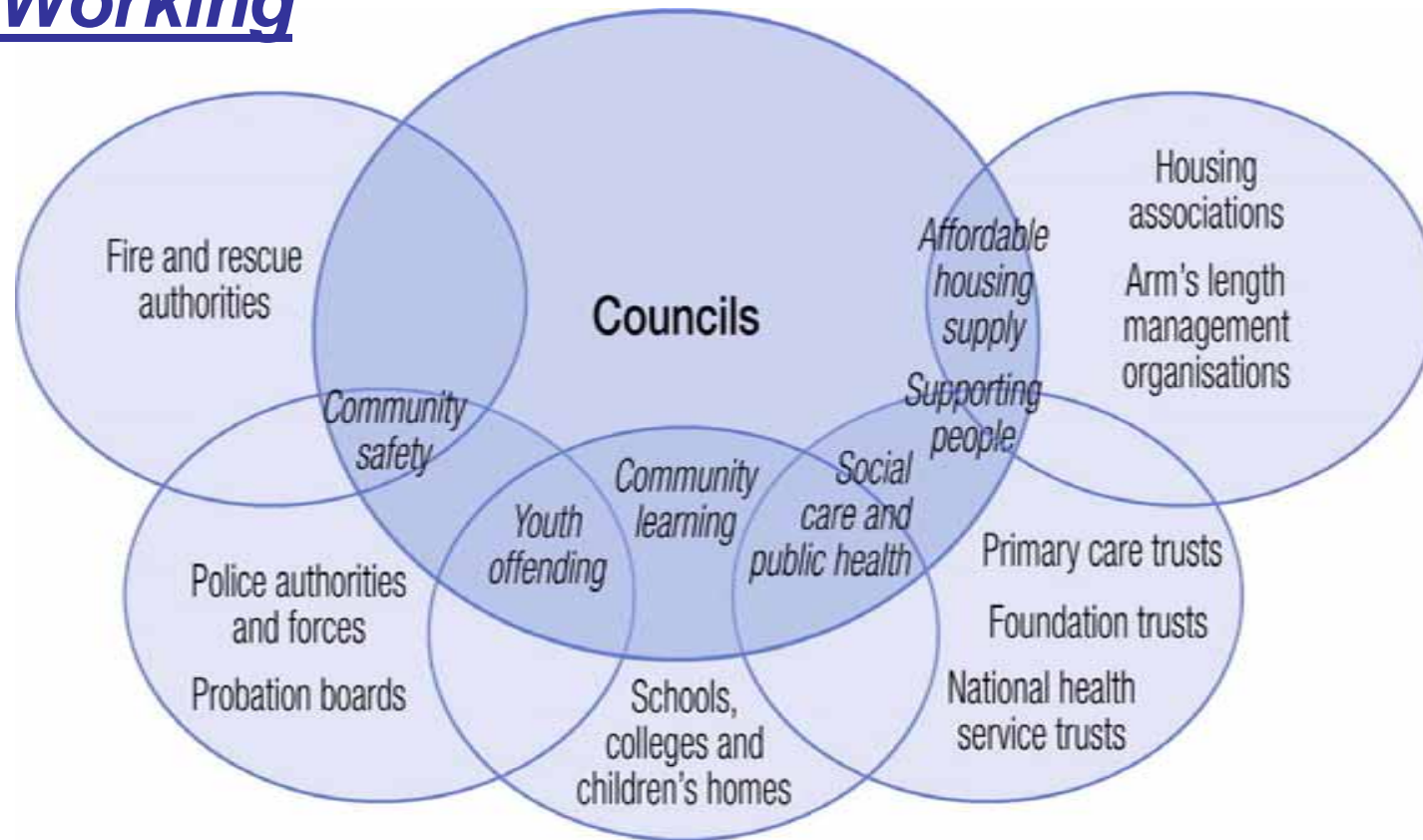


Scope of CAA

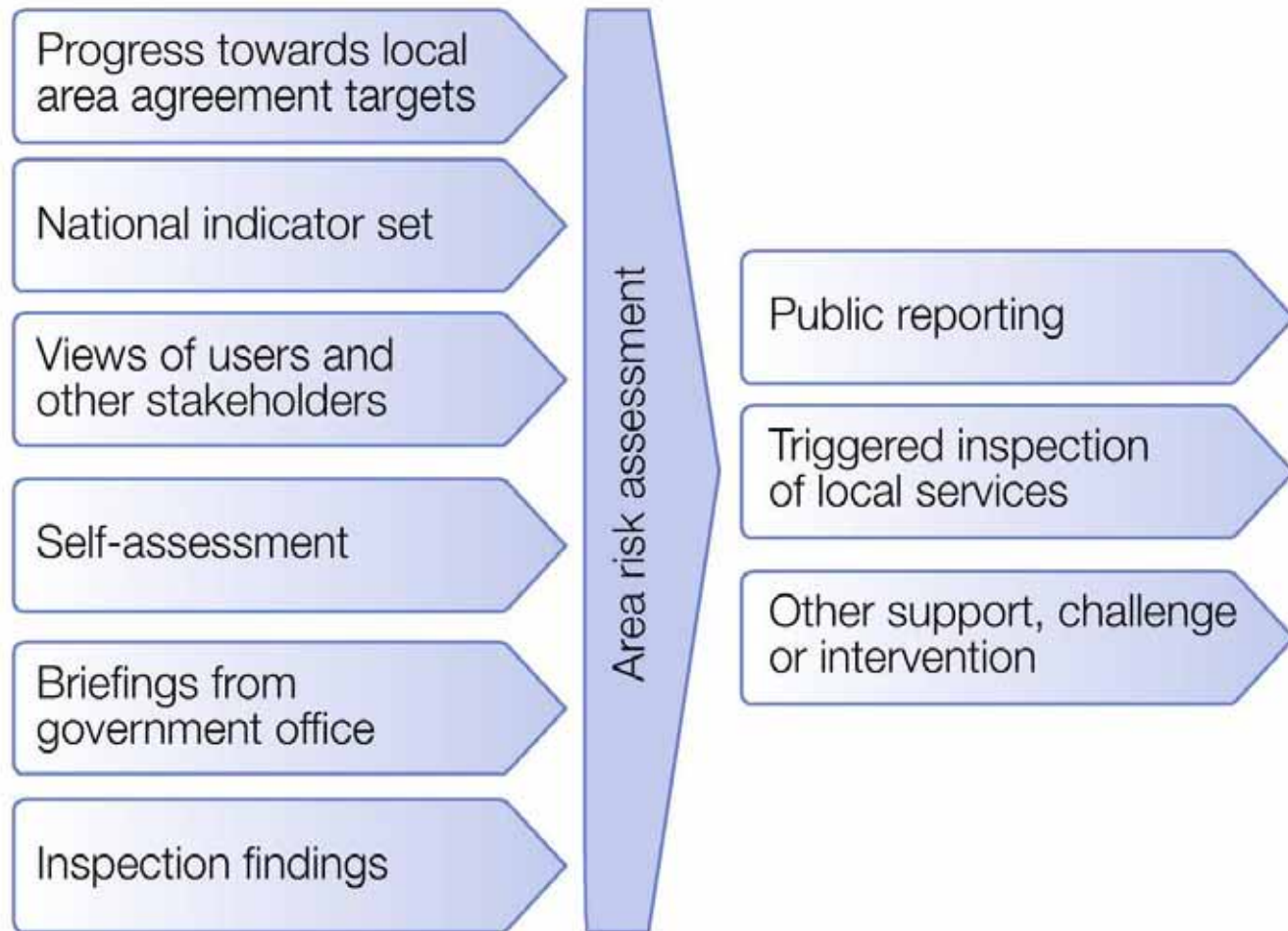
- The focus is on those **outcomes** which are the responsibility of the local authority either alone or working in partnership with other public, voluntary or private bodies
- This includes: health and well-being, community safety, sustainable communities, economic development, housing strategy, children's services, etc.
- Other service-specific performance frameworks will continue, but will avoid unnecessary duplication with CAA (health and social care, police & community safety etc).



Joint Working



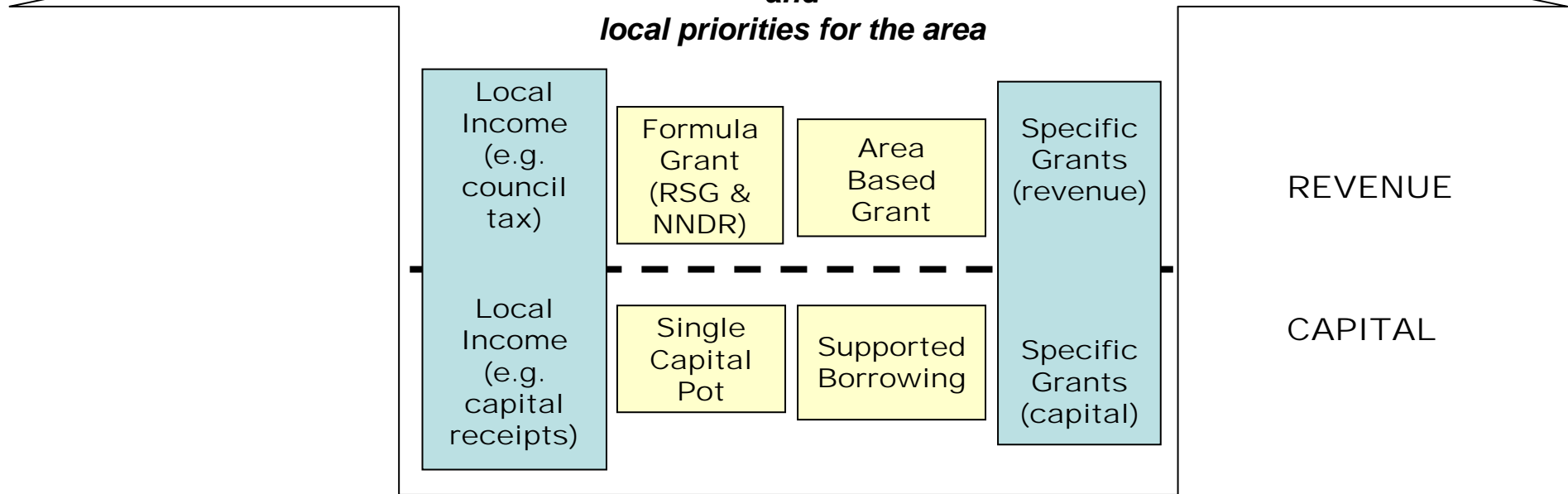
- **Joint assessment judgements** by inspectorates, not just an assembly of separate assessments.
- **Joint planning and targeting of inspection** with fewer rolling programmes of inspection.



How Funding Supports the New LAA



Funding supports delivery of national and local priorities for the area



LAA Funding Principles

- LAA targets **no longer tied to funding streams** – all local resources can support them.
- Hierarchy of funding routes to **maximise flexibility** for local authorities:
 - **Revenue Support Grant** - wherever possible;
 - **Area Based Grant** - a new non-ringfenced general grant allocated on a three year basis – where funding needs to be allocated using specific policy criteria; and
 - **Specific Grants** where necessary, but presumption against it.
- At least **£5 billion** of specific grants moving into non-ringfenced general grants - around £1 billion into RSG and over £4 billion into ABG.
- **Third round of Reward** announced as part of CSR. Working group developing a model – to be finalised in January.



Creating Strong, Safe and Prosperous Communities: Draft Statutory Guidance

Published for consultation in November 2007– clarifies legislative bases for key elements of new performance framework, including:

- **Engaging and empowering citizens** - the duty to inform, consult and involve (need for greater opportunities for local people to influence, discretion as to when and how).
- **Stronger partnerships to deliver joined up outcomes:**
 - Role of Local Strategic Partnerships (identifying priorities, overseeing progress, co-ordinating consultation and alignment of resources); and
 - Principles for governance (streamlined board, VCS & business representation).
- The **leadership role for local authorities** (driving consensus on priorities, community representation and scrutiny).

Creating Strong, Safe and Prosperous Communities: Draft Statutory Guidance (Continued)

- Developing a shared long term vision – through **Sustainable Community Strategy** (having regard to area-wide Mayoral plans where appropriate).
- Turning the vision into delivery agreement – duty to prepare a **Local Area Agreement**.
- **Co-operating** to agree and have regard to targets:
 - Agreeing targets negotiation through LSP; applies to designated and local targets; and
 - 'Have regard' - reflecting in business planning, resource allocation and internal performance management of individual partner authorities.
- Securing outcomes through **best value** and **strategic commissioning**.



Multi-Area Agreements

- An agreement between **two or more top-tier authorities** (and their partners) with Government.
- **Bespoke** and **voluntary**.
- Focus on outcomes best dealt with at **sub-regional level** (e.g. economic development / olympics).
- Authorities and public sector partners will share collective responsibility for outcomes.
- First wave due to be signed in June 2008.



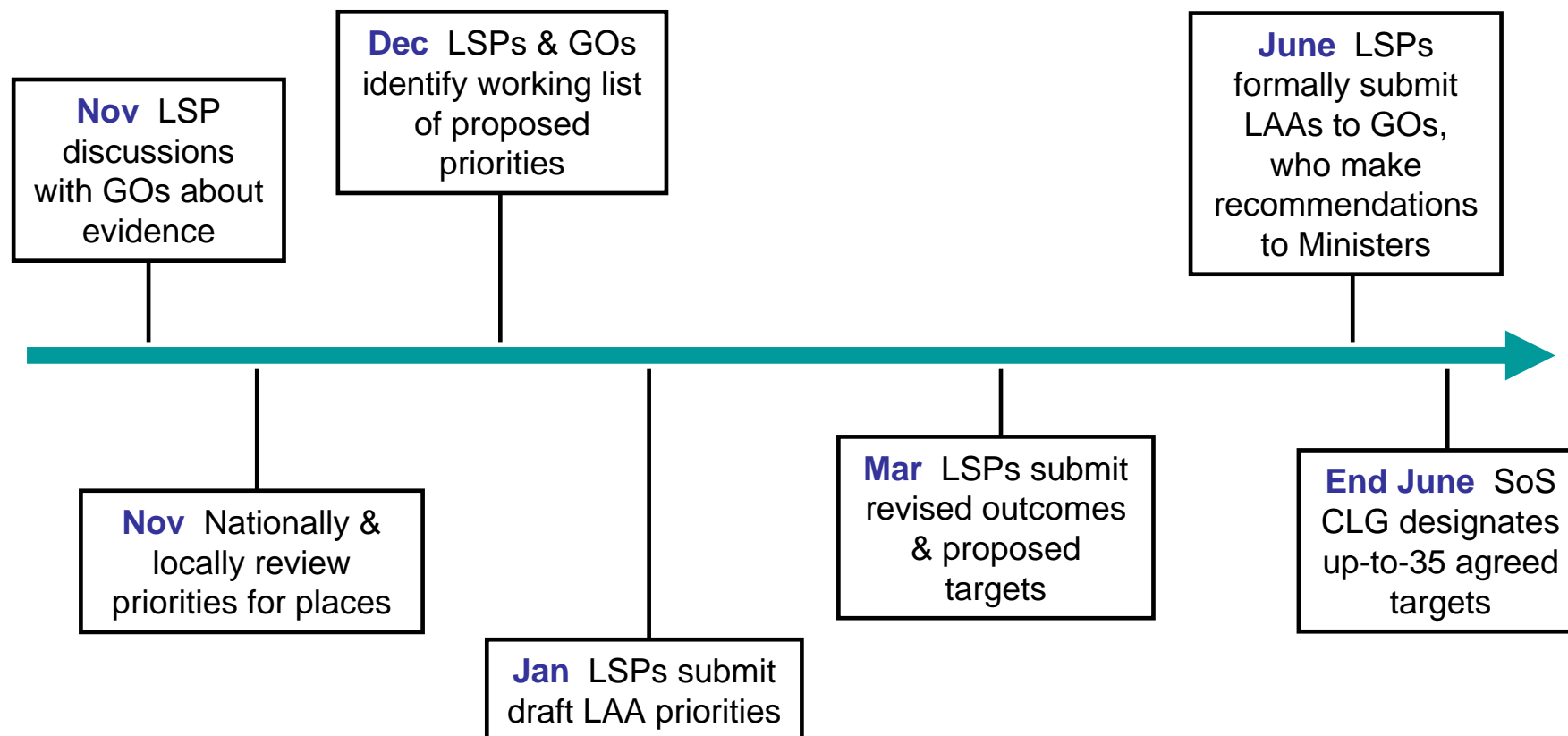
Building Capacity and Capabilities

- **National Improvement and Efficiency Strategy** to focus investment on:
 - Enablers of innovation and improvement;
 - Support to meet the ambition of new LAAs;
 - Business process improvements and efficiency; and
 - Strengthening sector-led support.
- **LGA framework for support and intervention** aiming to avoid need for Government intervention through effectively directed by the sector itself.
- **Government powers to intervene** in the best interests of local people where under-performance is significant.
- **Enhancing the role of Regional Improvement and Efficiency Partnerships** - focus to the enablers of improvement and efficiency such as:
 - Partnership working, effective strategic commissioning, strong political leadership; and
 - Priorities identified through LAA and MAAs.

LAA – What and When?

- **Shared evidence base key to underpin negotiations** – but the LAA itself in legal terms will be just the collection of targets, with their trajectories.

- **Key Milestones:**



Key Documents

- **Negotiating New Local Area Agreements (Sept 07)**
www.communities.gov.uk/publications/localgovernment/negotiatingnewlaas
- **Development of the new LAA framework: Operational Guidance (Nov 07)**
www.communities.gov.uk/publications/localgovernment/laaoperationalguidance
- **National Indicators for Local Authorities and Partnerships: Handbook of Definitions (Nov 07 – final version due in February)**
www.communities.gov.uk/publications/localgovernment/indicatorsdefinitions
- **Creating Strong, Safe and Prosperous Communities: Statutory Guidance for Consultation (Nov 07)**
www.communities.gov.uk/publications/localgovernment/strongprosperous
- **Introduction to the local performance framework – delivering better outcomes for local people**
www.communities.gov.uk/publications/localgovernment/localperformanceframework