

## LAA Annual Review 2008/09

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# Local Area Agreements 2008/09 Review

## Introduction

1. On 30 June the Government signed 150 Local Area Agreements (LAAs) with local councils and their partners – 150 unique pledges to local people to improve public services and the quality of life.
2. As a planned and shared commitment between central government and local authorities and their partners, LAAs provide a basis for taking the next steps in the improvement of public services. They reflect real prioritisation and greater coordination at a local level. Detailed information on the LAAs negotiated, including the local priorities of each area, is available online.<sup>1</sup>

## What is the LAA Annual Review?

3. As set out in *Strong and Prosperous Communities* (2006)<sup>2</sup> and the subsequent *LAA Operational Guidance*,<sup>3</sup> it is our intention that each LAA will be subject to an annual review, which have always been part of the LAA arrangements in the past. The purpose of the review is to identify and address any issues around delivery, including risks and good practice, to help assess and benchmark progress over the three-year span of LAAs. In addition, the review is an opportunity to revise, by exception, particular targets to reflect changes in local circumstances or national priorities.
4. *Roles and Responsibilities in the Local Performance Framework*<sup>4</sup> set out the arrangements for the Annual Review but noted that the first year would be different. This difference is in part because the first Comprehensive Area Assessment (CAA) which will provide evidence and conclusions to inform LAA annual reviews, does not take place until next year. The relationship between the annual review and CAA is set out in *Roles and Responsibilities*.<sup>5</sup>

<sup>1</sup> New LAAs, Supporting Information: <http://www.idea.gov.uk/idk/core/page.do?pagelId=8399555>

<sup>2</sup> LGWP, <http://www.communities.gov.uk/documents/localgovernment/pdf/152456.pdf>

<sup>3</sup> LAA Operational Guidance, <http://www.communities.gov.uk/publications/localgovernment/laaoperationalguidance>

<sup>4</sup> <http://www.communities.gov.uk/publications/localgovernment/frameworkrolesresponsibilities>, in particular pp23-27

<sup>5</sup> Ibid, p24

5. Another factor that makes the first annual review different is the significant number of targets discussed at recent negotiations that still need to be set. Because of these, we need to adopt a more flexible approach to revising LAAs than the 'by exception' standard allows. **Therefore this year there will be a distinct 'refresh' element to the annual review.**
6. This guidance note focuses specifically on first year arrangements and should therefore be seen alongside the existing statutory and operational guidance.

## Aims

7. The two aims of the annual review – identifying the contribution LAAs are making to delivery of better outcomes and considering where changed circumstances might lead to a revised LAA – will apply this year and in future. However, for this year they will take a slightly different form:

### **Review**

The review will take place in the context of limited delivery data, so in some instances may need to look more at local capacity and delivery arrangements to ensure future delivery. Issues to consider include arrangements with partners and their commitments, performance management systems, joint commissioning and citizen engagement, including efforts to communicate with residents on local priorities. The Review may also obtain evidence of delivery from direction of travel assessments from the last year of CPA.

### **Refresh**

While the refresh element may conclude some limited revisions where new evidence is available, most changes will be in terms of 'unfinished business' from the negotiations. This unfinished business comprises delayed indicators, revised indicators and targets that are inconsistent with their indicator definition. The aim is that all outstanding targets will be resolved ready for year two of the LAA (from 1 April 2009).

## Agreed Principles

8. The following key principles have been agreed to guide the process:

### ***Collaboration and co-operation***

The refresh and review should be seen as part of the wider efforts to create a shared endeavour between central and local government and its partners, building on the best joint work that characterised the recent negotiations. For example, participants should aim to have clear objectives going into review and refresh discussion highlighting, for instance, any links to Public Service Agreements (PSAs) and Sustainable Community Strategies.

### ***Refine not replace***

The key aim of the annual review itself is to reflect on progress against agreed targets rather than reopening negotiations. However, local areas and central departments need to be open to discussing issues where there is new evidence that was not available during negotiations. In most cases, we would expect any changes to be around refining targets – such as by disaggregating to ward level – rather than replacing them or changing agreed priorities.

### ***Proportionality***

Government departments and local areas should act proportionately in seeking and responding to requests to review and revise LAA targets. Proposals to amend an LAA should be reasonable and evidence-based, and be responded to in the same spirit. For example, new baseline data or significant changes to the definition could be a legitimate reason to reconsider a previously agreed target.

## How will it work?

9. Government Offices (GOs) will conduct initial work with local partnerships and central departments to agree the scope of refresh and review for each place. The GOs, on behalf of Government, will then lead a range of discussions with local authorities and their partners. Both the refresh and the review will be a process rather than a one-off event, with GOs reporting progress to Whitehall at key stages.
10. The Government and the Local Government Association have agreed that local authorities should submit their refreshed LAAs in line with the key milestones set out below. This timeline ensures maximum flexibility to finalise targets, for example those needing data from the Place Based Survey, and for local adoption of the refreshed LAA. In line with the cooperation and proportionality principles set out above, the Secretary of State does not intend to issue formal direction for authorities to refresh their LAA.

11. The key milestones are set out below.

- **October:** Departments finalise target negotiating briefs, where needed
- **October:** GOs will agree detailed arrangements for annual reviews in their region, including the deadline for receipt of Partnership performance reports.
- **October-January:** Annual Review discussions
- **January 2009:** GO Annual Review conclusions sent to Government
- **2 March:** Local area submits refreshed LAA to GOs (at this point LAAs should be in final or near-final form though possibly not yet formally adopted)
- **By 26 March:** cross-Government consideration of refreshed LAAs
- **Throughout March:** Negotiations to be concluded on any outstanding issues. Local authorities to ensure the formal adoption process is completed, according to the agreed scheme of delegation, by Thursday 26 March at the latest.
- **Friday 27 March – Wednesday 1 April:** GOs to submit adopted LAAs to the Secretary of State
- **Early April:** Secretary of State Approval of revised LAAs

## Local Arrangements

12. Any revisions to an LAA need to be approved in accordance with local arrangements put in place by the responsible authority. The arrangements for preparing and approving any revisions to targets are set out in statutory guidance as well as general guidance on 'local choice' functions.<sup>6</sup> The recent negotiations underline the importance for the responsible authority to put in place appropriate local arrangements to ensure they meet the deadline for submitting their **final and fully adopted** refreshed LAA to the Government Office. GOs should obtain early reassurance from local authorities that such approval arrangements are in place.
13. Experience from the recent negotiations also indicates a need for more clarity in some LAAs on which partners have signed up to which targets. This is particularly important for named partners, since it is only with such clarity that the duty to 'have regard' to the target in the exercise of their functions applies. Guidance on this is available in our online [FAQS](#).<sup>7</sup>

<sup>6</sup> Development of the new LAA framework – Operational Guidance 2007 – Local government – Communities and Local Government (Section 4).

<sup>7</sup> <http://www.communities.gov.uk/localgovernment/performanceframeworkpartnerships/faqs/laa/?id=756347#question>

## Indicator Consultation

14. Definitions for a total of 13 deferred and revised national indicators are subject to consultation during September and October. Communities and Local Government will confirm the final definitions in early December, in time for any targets to be negotiated against them by the time of the submission of the revised LAAs. The consultation is available [here](#).<sup>8</sup>

## Reward and the Annual Review

15. The current [consultation on the LAA reward](#)<sup>9</sup> proposes that the target levels agreed as part of the LAA will be used as the benchmark for calculating entitlement to the Performance Reward Grant. As noted in previous guidance,<sup>10</sup> where there was lack of data for new or revised indicators, the annual review provides an opportunity to finalise target levels. Separate guidance will be published shortly on the LAA Reward and the Working Neighbourhoods Fund Reward, following the conclusion of the consultation.

## Alignment with other performance frameworks

16. It will be important that the Annual Review is properly informed by and linked to related processes from other performance frameworks during the autumn. The GO locality manager will liaise with the Audit Commission Comprehensive Area Assessment Lead for the area at an early stage to plan best use of their Direction of Travel assessment to help inform their review and avoid duplication of work. The GO will use the DoT assessment alongside the assessments emerging from other performance assessments (e.g. Vital Signs, APACs) to agree with the partnership how to respond to the findings, and the implications for LAA delivery.
  - **APACS:** The Annual Review should be informed by the strategic assessments conducted by Crime and Disorder Reduction Partnerships (CDRPs) to identify the crime reduction and community safety priorities for their area. Police Authorities should also work with CDRPs and LSPs during the annual review to ensure that the targets in policing plans and the targets in LAAs take account of each other.

<sup>8</sup> Consultation: <http://www.communities.gov.uk/publications/localgovernment/deferredindicatorsconsultation>

<sup>9</sup> Consultation: <http://www.communities.gov.uk/publications/localgovernment/laarewardschemeconsultation>

<sup>10</sup> See the Frequently Asked Questions, Reward Element: <http://www.communities.gov.uk/localgovernment/performanceframeworkpartnerships/faqs/laa/rewardelement/?id=788180#question>



- **NHS Operating Framework:** the Government will be publishing an updated NHS Operating Framework in October. In order to support joint planning the aim is for discussions on shared priorities and targets between Primary Care Trusts and their partners to take place between November and January. The provisional date for PCT plans, approved by Strategic Health Authorities, to be submitted to DH is mid-February with the aim of signing them off by April. The Department encourages PCTs, local authorities and their partners to discuss health targets as an integrated part of the overall LAA review and refresh.
- **Education and Early Years Targets:** The negotiation of the 16 statutory DCSF education and early years targets will continue to be led by the National Strategies.<sup>11</sup> In considering appropriate target levels for the statutory targets, the National Strategies will have regard to the wider negotiation of LAA priorities and LAA targets. Similarly, GOs will continue to work closely with the National Strategies to ensure that the LAA targets complement the statutory education and early years targets. The LAA targets (both designated and local) and statutory DCSF targets should be viewed together as a single suite of targets which will enable key partners – central Government, local authorities and their partners, including schools – to deliver on shared priorities in a way which meets the needs and concerns of local people.

## Relationship to PSA reporting

17. The Annual Review will reinforce the Government's drive to reduce bureaucracy whilst ensuring rigorous performance management systems are in place. To avoid duplication, Communities and Local Government will ensure that the performance information generated by the Annual Review is made available to other central departments. In particular, the Annual Review will be an important feed into departments' PSA reporting mechanisms.

## Lessons learnt from LAA Negotiations

18. Government departments and local areas should approach the Annual Review in the same spirit that characterised the best recent negotiations. Some lessons from the negotiations are captured in a summary report being published alongside this guidance.<sup>12</sup> In addition, Communities and Local Government has commissioned independent research into the negotiated LAAs, from which a number of documents will be published over the coming year.

<sup>11</sup> The National Strategies are professional development programmes for early years, primary and secondary school teachers, practitioners and managers. They are one of the Government's principal vehicles for improving the quality of learning and teaching in schools and early years settings and raising standards of attainment. The Strategies at a national and regional level are delivered by Capita Strategic Children's Services on behalf of DCSF.

<sup>12</sup> Available at <http://www.communities.gov.uk/publications/localgovernment/laa2008lessons>

## Data Interchange Hub

19. Dates on when data will be available in the Data Interchange Hub are available [here](#).<sup>13</sup>

## FAQs

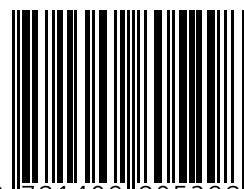
20. A revised set of Frequently Asked Questions covering LAAs, including the 2008/09 LAA Review is available [here](#).<sup>14</sup>

<sup>13</sup> <http://www.communities.gov.uk/localgovernment/performanceframeworkpartnerships/nationalindicators/datainterchangehub/>

<sup>14</sup> FAQs: <http://www.communities.gov.uk/localgovernment/performanceframeworkpartnerships/faqs/laa/laa/?id=756347#question>

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