

LAA negotiations in 2008

Lessons Learnt



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Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 020 7944 4400
Website: www.communities.gov.uk

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1. This document summarises the key lessons learnt from LAA negotiations in 2008 obtained from stakeholders across central, regional and local government plus local partners over the summer. This paper aims to support the development of arrangements for the programme, with a particular focus on influencing the forthcoming annual review and refresh.
2. This work was concluded in a short period (the responses were gathered over a period of around six weeks). The aim is, therefore, to provide a flavour of the key messages rather than to provide an in-depth study. Communities and Local Government has also commissioned a longer-term LSP/LAA evaluation, which will provide evidence on the full impacts of new delivery arrangements.
3. We have worked with a range of different stakeholders involved in negotiations to obtain feedback and suggestions for improvement. A range of different methods for collecting feedback were used including workshops, bilateral meetings, phone interviews and virtual groups. The Department is grateful to those individuals who have supported this work. All discussions were focused around the identification barriers, successes and suggested ways for improvement. This paper synthesises the feedback.

Summary of the key lessons learnt

4. Overall, the negotiating model proved to be a robust basis for developing new LAAs as evidenced by the successful conclusion of negotiations across the country in June. This initial work suggests key learning points for policy and project management/ processes. These are set out in greater detail below. Key messages from stakeholders highlight:
 - A shared sense of achievement and significant progress in implementing new LAAs while retaining the overall spirit of a new central/local relationship.
 - The importance of co-design. Involving local authorities, GOs and Departments in designing the LAA framework has helped increase ownership of the policy and ensure opinions from across the delivery system were better addressed. Being open to external challenge has strengthened the negotiation framework.
 - Clear and bold objectives have focused effort across the delivery system. In particular, placing a limit on the number of national indicators (fewer than 200) and the number of designated targets (up to 35) in each place has helped both local and central partners to make tough decisions about targeting effort and resources, trading off between priorities and developing more sophisticated evidence based about the 'story of place' to underpin these choices.

- The pace of implementation was tight but has been balanced by consistent implementation across the country and uniting the comprehensive spending review/local target timetables. Respondents confirmed that the negotiations would have benefited from more time to discuss target levels and less on establishing up to 35 priority indicators.
- Local partnerships are conducting further work on implementation arrangements to account for the new statutory framework and to move away from previous delivery strategies geared toward a rigid LAA block structure. Additional time before the review and refresh process will allow for further consultation with local communities and direction from elected members.
- Regular, clear and consistent information flows have helped consolidate cross-Whitehall consideration of emerging local priorities and exposed challenging negotiating/delivery issues early on. Open discussion of negotiation issues has supported a problem solving approach across the delivery system and supported a sense of shared endeavour.
- Stakeholders reported that the Government Office Network had been an especially successful force during negotiations, bringing together local and national perspectives. Relationships had improved both locally and centrally with GOs. It was suggested that GOs had been integral at directing place-based consideration of policy with Whitehall teams.
- Active engagement of a 'guiding coalition' of senior leaders has been a significant factor in the progress. Overall, relationships across the delivery system have strengthened through the negotiations. The Leadership Coalition was viewed as a successful mechanism for helping to embed LAAs as a means of local delivery across Whitehall and local partnerships. Senior Negotiating Champions were also considered to have helped establish a strong corporate senior role within Whitehall.
- Local partnerships have also reported further strengthening of partnership working, empowering a wider group of organisations in LSPs.

Policy

5. Embedding co-design principles in the design of LAA policy has been seen as an especially important. The dry-run testing of LAAs and the joint drafting of guidance with stakeholders from outside of Communities and Local Government has helped to strengthen the negotiating framework.

6. Relationships between councils and GOs were thought to be very much improved. The role played by GOs was seen as very positive, in building a sense of joint endeavour. GOs felt that a strong contributor to their success was their ability to be flexible in their approach to negotiations. For example, building the GO understanding of the story of place helped to provide a strong evidence-based rationale for the inclusion or exclusion of particular indicators in the LAA. The ability of GOs to present a balance of evidence through a locality and departmental 'prism' was thought to be a strong element of the GO role. The work of GO locality managers was seen as central to this.
7. Despite improved relationships overall, negotiations in two-tier areas have proved more difficult to coordinate, particularly with rationalising the number of partnerships and priorities involved, and ensuring sufficient engagement and consultation took place during the tight timetable. Many of the named partners felt a focus for discussions at the upper tier level had helped to prioritise across districts and addressed concerns over workload and coverage of multiple LSPs.
8. Generally, earlier fears from third sector stakeholders that the sector would be sidelined from the negotiation process without a 'statement of community involvement' had not materialised. The move away from a block structure played better to Third Sector strengths, which had broadened the scope for involvement. There is strong coverage of National Indicators linked to building third sector capacity. Concern remains among Third Sector stakeholders about the longer term impacts of LAA implementation on organisations. Further work to explore these issues is being developed jointly by CLG and Third Sector organisations.
9. Local stakeholders have suggested negotiations helped to empower a wider group of partner organisations in LSPs. In many cases, partners who had previously not been affected by the LAA framework had wanted to be involved in discussions. Representatives from local partnerships organisations reported a sense of closer partnership working and a better understanding of others. New offers are being made within partnerships.
10. However, many partnerships are still absorbing the implications of requirements now placed upon them. Whilst partnership working was thought to have improved at LSP level, many thematic partnerships will be using the time available before review and refresh to build on local business and financial planning processes, work through delivery arrangements and move away from the former block structure of LAAs.

11. Local authorities and partners have reported that the statutory framework will take some time to bed in. This includes the implications of new duties and in particular what it meant to be 'signed up' to a target. Clarity on this had been absent to some degree and especially while statutory guidance was finalised in parallel to the negotiations. In particular, concerns were reported about new arrangements and accountability for delivery, especially when these become the focus for overview and scrutiny in due course. In the interim a number of areas have adopted local protocols on roles and relationships – developed as part of partnership constitutions or working arrangements. A lack of clarity and understanding about sign off arrangements featured strongly in stakeholder views. In particular, this centred on the requirements for adoption of each draft LAA by responsible local authorities. These arrangements have now been finalised in statutory guidance and respondents were clear that attempts to provide further clarity in additional guidance would not necessarily be helpful.
12. For central government, preparing for LAA negotiations involved thinking about which issues matter in which places. The negotiations highlighted some tensions between striking the balance between locally and nationally driven priorities. Work by both central Departments and GOs on meaningful priorities for particular places, in advance of negotiations, helped to mediate this. Some central policy areas had spent considerable time developing with Government Office 'area-specific' evidence packs. Other approaches were more uniform.
13. There was a large degree of consensus on what matters in particular places (about 70%, even before the start of negotiations). Where there have been differences of view, the LAA negotiations provided a valuable forum to debate the best way, and the right scale, to tackle difficult delivery challenges. It was reported that, on occasions, negotiating positions did not establish a clear enough understanding about regional or local difference and the sensitivities such as local politics. Similarly, the links between national PSA targets and expectations from LAAs could have been made clearer at the start of negotiations.

Processes and Project Management

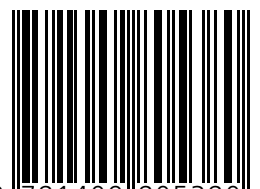
14. Overall the negotiation process was considered to be sufficiently well managed despite the time constraints. Publishing an indicative negotiating timetable was considered to be useful for allowing individual negotiations to progress at the appropriate pace. As such, flexibility in the timetable was endorsed as a sensible approach. However there was some suggestion that the timetable and key milestones, particularly for managing Government Office/Department process could have been made clearer at the outset.

15. All stakeholders confirmed the importance for clear timetables and milestone, set out well in advance of the review & refresh of LAAs, particularly to ensure GOs and Departments are adequately prepared for the process. Stakeholders reported a view that Government Departments were working along the right lines for aligning local delivery policies at a national level, especially through indicators linked to APACs, Vital Signs and DCSF statutory targets. It was recognised that will take more time for alignment to happen in practice at local level and a view that greater alignment of local performance and delivery timetables was possible.
16. The negotiating timetable focussed minds but also provided a challenge with some very tight deadlines. The implementation of other elements of the local performance framework also impacted on the ability to conclude negotiations. It was felt that consideration, earlier on, of the interdependence between LAA negotiations with the National Indicator Set and the subsequent availability of data, development and use of the Data Interchange Hub and final statutory guidance would have strengthened the process.
17. The pace of negotiations made it difficult to prepare and innovate, with a subsequent knock-on for local delivery and resource planning. While pace provided a challenge across the system this was balanced by the benefits of establishing new arrangements across the country and aligning Comprehensive Spending Review and finance settlement timetables. Nevertheless, loose ends remain for the first review and refresh.
18. Establishing a strong network of senior involvement across Whitehall and local partnerships was believed to be critical for successfully steering the process. For example, the use of regular cross-Whitehall Directors General meetings, a Leadership Coalition across central and local agencies, and the Whitehall Negotiating Champions helped to ensure a better strategic focus of negotiations.
19. Regular, clear and consistent information flows around Whitehall, were helpful in providing transparency of progress across Local Performance and Delivery programme interests. Government Offices investment in quality assurance reports and the peer review programme were felt to have strengthened consistency of approach by GOs.
20. There have been positive relationships established between Negotiation Champions and the GO Network. In particular the programme has contributed to a strong corporate senior role within Whitehall. In many cases ongoing relationships have been agreed between Champions and 'their' areas, suggesting that both parties found involvement to be beneficial. Government Offices developed a range of tailored approaches to Champion involvement to help understand, spread and challenge local ambition, unblock barriers and sticking points, providing external challenge to partnerships and managing cross-Whitehall interest in particular localities.

21. There were particular concerns about the lack of baseline data for some of the national indicator set. Data on national indicators was not always available to support target setting discussions and has resulted in a higher percentage of targets being deferred until the review and refresh period. In particular, there is particular concern about availability of data for the Place Survey. There remains uncertainty on what delivery will look like for those indicators where new data will be infrequent. There is also concern that there will be too little time between the results of the survey and refresh timetable to enable serious debate about any changes in targets. Communities and Local Government is responding to these points by ensuring the availability of data is central to the refresh timetable.
22. Clarity over process on the reward mechanism sometimes made negotiations difficult, given the significance that some local partnerships felt reward had played in previous rounds of LAAs. Respondents welcomed the ability to re-examine targets in the first refresh following consultation and confirmation of the reward model during the summer of 2008.
23. The potential and value of a single repository for local targets was widely recognised by respondents. The Data Interchange Hub was identified as a tool requiring further development in order to maximise its use. In particular, GOs thought the HUB could contain more information, including data such disaggregated and local targets and additional steps taken to ensure the consistency of data entry. Further work to align the next stages of HUB development and the refresh timetable has taken place over the summer.

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