



Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Cabinet

12th May 2008

SIGN-OFF ARRANGEMENTS FOR LEICESTER'S LOCAL AREA AGREEMENT (2008/11)

Report of the Director of Partnership, Performance & Policy

1. Purpose of Report

This report recommends arrangements for the formal sign-off of Leicester's new Local Area Agreement (LAA) prior to submission to Communities and Local Government for Ministerial sign-off.

2. Summary

- 2.1 The City Council and its partners, through the Leicester Partnership, are in the process of negotiating a new LAA with Government Office for the East Midlands (GOEM).
- 2.2 This report sets out arrangements for the formal sign-off of the LAA prior to submission to Communities and Local Government for Ministerial sign-off. These arrangements will need to balance the requirement for appropriate governance and the very tight negotiation timetable prescribed by government.
- 2.3 This timetable requires local authorities to submit their signed-off LAAs to Government Offices by the end of May. Government Offices will then submit LAAs to Communities and Local Government. The expectation is that all LAAs will then be signed-off by the Secretary of State for Communities and Local Government in late June 2008.

3. Recommendation

Cabinet are recommended to:

Subject to any further direction from government, recommend to Council that the constitution be amended to add formal sign-off of Leicester's Local Area Agreement and other LAA functions (e.g. modification at 'annual refresh') to the list of local choice matters which are to be Cabinet business.

4. Report

- 4.1 Arrangements for the formal local sign-off of the LAA are unfortunately not fully resolved yet (see Legal Implications, section. 5.2. below). The latest advice suggests that sign-off arrangements will be a matter of "local choice". This means that Council can choose to allocate responsibility for LAA matters to Cabinet or reserve to Council. This approach is based on the premise that Council will have approved the sustainable community strategy, the policy document that drives the LAA (Council approved Leicester's sustainable community strategy, 'One Leicester' on 27th march 2008). Given the negotiation and national sign-off timetable this approach is the most practical. The alternative would be to call a special meeting of Council in late May / early June.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

- 5.1.1 Up until 2007/08 the principal source of funding for the city's Local Area Agreement (LAA) has been through ring-fenced Local Area Agreement grant. From 2008/09 the principal funding for the LAA is through an Area Based Grant (ABG). For 2008/09 the total value of ABG coming to Leicester City Council is £26.4m, and for the following 2 years indicative figures have been received amounting to: 2009/10: £43.0m. 2010/11: £41.3m. The government emphasizes that the ABG is non-ringfenced. Unlike LAA grant, which was allocated for the purposes of supporting the achievement of LAA targets, ABG will be a non-ringfenced general grant. The recipient Local Authorities and partners are responsible for working towards delivering the National Indicator Set and their LAA targets, and a new performance framework will provide a robust assessment regime to scrutinise progress against priorities. As the ABG is non-ringfenced there is no expectation that local authorities will use the funding to support the objectives of former specific grants, and there will be no specific restrictions on how local authorities spend the ABG money. The Audit Commission will have the task of assessing whether authorities have used their resources effectively, "with a strong focus on value for money and efficiency as part of the use of resources element of the CAA". It seems likely that, apart from the emphasis on VFM, the audit will be light touch.

- 5.1.2 The philosophy of the LAA places the main emphasis on delivering the objectives and securing real improvements in the national and local priority areas identified within the LAA, and Local Authorities will be expected to have regard to this when planning the use of their other funding streams.

Andy Morley, Chief Accountant
Ext. 297404

5.2 Legal Implications

- 5.2.1 The Local Government and Public Involvement in Health Act, 2007 provides for a Local Area Agreement ("LAA"), which will be an agreement between a local authority and certain partner authorities, approved by the Secretary of State. It will be prepared by the local authority which will consult partner authorities and others (this will include persons from the voluntary and community sector and local businesses). The local authority and partner authorities will co-ordinate with each other in determining local improvement targets for the area to be included in the LAA. The Act also amends section 4 of the Local Government Act, 2000 to provide that the local authorities which prepare LAAs must consult partner authorities when preparing their community strategy. Section 116 introduces a requirement on local authorities and Primary Care Trusts to undertake a joint strategic needs assessment of the health and social care needs of its local population.
- 5.2.2 Paragraph 4.15 of the draft statutory guidance "Creating Strong, Safe and Prosperous Communities" states that it is the Government's intention to amend the Local Authorities (Functions and Responsibilities) Regulations, 2000, SI 2000, 2853, to ensure that the draft LAA will need to be approved by full Council. These regulations prescribe in detail what matters must be approved by full Council. These are currently set out in our Constitution e.g. the Transport Plan.
- 5.2.3 If the Government does prescribe in this way then there is no choice, the draft LAA will have to be approved by full Council. Delegation to a committee will not be possible; nor will it be possible to decide that this is Cabinet business.
- 5.2.4 However, given the response to the consultation paper as reflected in the LGA briefing, and latest advice from Communities and Local Government and the Government Office for the East Midlands, it appears more likely that the Government will relax the provisions in the draft and prescribe that approval of the draft LAA is a "local choice" matter i.e. it will be for full Council to decide whether this is a function for full Council or is an Cabinet matter. If this is what is decided on by the Government, then there will be a need for full Council to decide on a change to the Constitution i.e. to prescribe that this is a matter for Cabinet as a matter of "local choice". Technically this is not a delegation to Cabinet but an amendment to the Constitution and an addition to the list of local choice matters which are to be Cabinet business.

Peter Nicholls, Head of Legal Services
Ext. 296302

6. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph Within Supporting information	References
Equal Opportunities	Yes	4.9	
Policy			
Sustainable and Environmental	Yes	4.9	
Crime and Disorder			
Human Rights Act			
Elderly/People on Low Income			

7. Background Papers – Local Government Act 1972

‘One Leicester’ – Council (27th March 2008)

8. Consultations

Leicester Partnership – 20.2.08

Leicester Partnership Executive – 19.12.07, 30.1.08, 5.3.08

Corporate Directors Board – 11.3.08

Cabinet Briefing – 17.3.08 & 14.4.08

9. Report Author

Adam Archer
Special Projects Manager
Partnership Executive Team

Ext. 29 6091

adam.archer@leicester.gov.uk

Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Council