



Leicester
City Council

**WARDS AFFECTED:
Corporate issue – All wards**

Cabinet

11th July 2005

LOCAL AREA AGREEMENT - DEVELOPMENTS

Report of the Corporate Director of Housing

1. Purpose of Report

- 1.1 This report is to inform Cabinet of the outcome and implications of the announcement by David Miliband MP, Minister for Communities and Local Government on the second phase of Local Area Agreements (LAAs).

2. Summary

- 2.1 On 22nd June the Office of the Deputy Prime Minister announced details of the second round of LAAs. 66 local authorities and their partners (through Local Strategic Partnerships) will take part, including Leicester. Also included is Leicestershire County Council in partnership with the eight district councils. LAAs will be rolled out to all top tier authorities from April 2007.
- 2.2 Originally, it was intended that the second round would be rolled out to 40 areas. However in response to an overwhelming level of interest government agreed to roll out the programme to as many areas as it could manage.
- 2.3 The LAA is an agreement between the Government and the council to bring together most of the existing funding streams available to the city council and partners (see appendix 2) in order to deliver local services more effectively. The agreement will be negotiated in partnership with other agencies in the city through the Leicester Partnership.
- 2.4 Further details were announced including the intention to merge Local Public Service Agreements into second round LAAs and the possibility of pooling Neighbourhood Renewal Funding with LAAs. Further information on the fourth block, Economic Development and Enterprise, was given, with the headline being that the new Local Enterprise Growth Initiative (initially worth £50m nationally) will be part of the block.

- 2.5 We now need to consider how Leicester will approach its LAA.
- 2.6 Experience from the pilots has shown that Councils and their partners have approached LAAs with varying degrees of ambition. In some cases the focus has been on the opportunity to significantly reduce the level of bureaucracy associated with the management and delivery of government funding streams. Other Councils have also approached LAAs as providing a catalyst to bring about wider improvement in the delivery of public services in their locality.
- 2.7 Aspects of this more ambitious approach might include an increased focus on the delivery of priority outcomes (a delivery plan for the Community Strategy), extending the use of pooled budgets and joint commissioning (potentially through a 'Public Service Board'), getting greater alignment between mainstream and additional funding streams, developing the Council's community leadership role and supporting the delivery the city's Neighbourhood Renewal strategy.
- 2.8 It is proposed that Leicester take a holistic, but pragmatic approach to the development of the LAA, going with the flow of existing initiatives. In this approach it is recognised that developing an LAA is a major piece of work and will require strong leadership and careful project management.
- 2.9 It is proposed that Councillors Coley and Grant are the Cabinet leads for the development of the LAA.

3. Project Management Arrangements

- 3.1 The overall development of the LAA is the responsibility of Leicester Partnership, with the city council as the accountable body. As one of the key partners the city council will have a leading role in the development.
- 3.2 It is proposed that a new post of LAA Project Manager be established to lead the city council's input into the LAA. This post would be managed by the Head of Policy & Performance in CXO and be at PO5. This would be a full time post until the end of the March 2006, when the negotiations are timetabled to be finalised. The role would need to be reviewed towards the end of the year so we are in a position to respond to the implementation phase starting in April 2006. The project manager will be supported by an inter-departmental officer group.
- 3.3 The LP Development Team are establishing a post of LAA Strategic Manager at a senior level to lead the development of the LAA. They are also seeking to second officers from partner agencies, such as the police, PCTs, Connexions and JobCentre Plus onto a virtual team, to co-ordinate the involvement of partners into the LAA. The city council's project manager would also be part of that team. It is anticipated that the team members would spend up to 2 days with the LP and spend the remaining time developing proposals within their own organisations. These arrangements were agreed by the LP Co-ordinating Group on Wednesday 29th June.

3.4 An outline project plan is attached as appendix 1.

4. Recommendations

Cabinet are recommended to:

- (i) Support the development of a Local Area Agreement as outlined in this report;
- (ii) Endorse the outline project plan and management arrangements as set out in paragraph 3 above and in appendix 1;
- (iii) Receive further reports on detailed arrangements as required.

5. Financial Implications (Andy Morley)

- 5.1 The LAA does not bring additional funding. It will simplify some of the mechanisms and processes concerned with payment and monitoring and should make more efficient and effective use of resources across the city.
- 5.2 The Council will be the accountable body for the LAA and suitable arrangements for accountability and decision-making will need to be developed in consultation with and advice from GOEM.
- 5.3 The post of project manager will cost, for a full year, £45,629 (including oncosts) based on the midpoint of salary scale PO5. Assuming a start date of August 1 2005, and termination of the contract on March 31, 2006 the cost in 2005/06 would be £30,419. This cost could be met from the revenue underspend of £120k for the Chief Executive’s Office in 2004/05. No member approval to this would be required, as the sum is below the threshold for Directors’ virement decisions.

6. Legal Implications (Peter Nicholls)

- 6.1 There is unlikely to be an expectation from the government that the Authority must enter into a formal legal agreement, although any grant would be subject to terms of payment. Other legal implications are covered in the report.

7. Report Author

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DECISION STATUS

Key Decision	No
Reason	
Appeared in Forward Plan	No
Executive or Council Decision	Executive (Cabinet)

