



Leicester
City Council

WARDS AFFECTED: Corporate issue – All wards

Cabinet

11th July 2005

LOCAL AREA AGREEMENT – PROJECT MANAGEMENT ARRANGEMENTS

Report of the Corporate Director of Housing

SUPPORTING INFORMATION

1. Background

- 1.1 A Local Area Agreement is an agreement between central government and local authorities and their partners. The main features of the LAA are to:-
- Improve public services and provide better outcomes for local people;
 - Dovetail central government priorities with local priorities;
 - Provide the possibility of freedoms and flexibilities to support the objectives of the LAA;
- 1.2 In effect an LAA will involve the 'pooling' of a wide range of existing government funding streams, allowing councils and their partners to get on with delivering on shared priorities with less regulation, bureaucracy and inspection. There is no new money involved with LAAs, although government expect that some efficiency savings should be possible.
- 1.3 A Local Area Agreement comprises four blocks: Safer and Stronger Communities; Children and Young People; Healthier Communities and Older People; and a new block, not included in the pilot LAAs, focussing on Economic Development.
- 1.4 Within these blocks, partners, including the Council, and the Government will agree the outcomes to be achieved and the funding streams necessary to bring these about. A limited number of indicators and targets will be agreed to monitor progress in achieving these outcomes.
- 1.5 The LAA will cover a three-year period, but with an annual review of both targets and funding streams so that these may be adjusted in the light of experience and as the understanding of the potential of the LAA develops. LAAs will be negotiated with Government Offices, in our case Government Office East Midlands (GOEM).

- 1.6 Government have advised that some elements of the LAA might best be dealt with by working in partnership with the county and districts councils and the county-wide and district LSPs. It is intended that further exploration of cross-boundary working with the County Council be undertaken.

2. Next Steps

- 2.1 There will be two distinct phases in taking forward our LAA: developing / negotiating the agreement and delivering it.
- 2.2 An outline project plan for the first phase is attached, The plan for the second phase will be developed as the initiative takes shape.
- 2.3 In considering how we move forward there is extensive learning from the pilots. The main key lessons are listed below:-
- Strong leadership and project management;
 - engage positively with partners at the earliest opportunity (with particular efforts made to engage with the voluntary and community sector);
 - ensure effective communication is maintained;
 - focus on the big picture (priority outcomes) before getting into the detail of funding streams and targets;
 - enter into early dialogue with Government Office;
 - build up an evidence base in support of any freedoms and flexibilities to be requested;
 - allow time for problem solving and learning;
 - think across the four blocks (they shouldn't become new silos);
 - and endeavour to work in a culture of trust and develop positive relationships, while recognising there will be disagreements and tension.

3. Financial Implications (Andy Morley)

- 3.1 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.
- 3.2 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.
- 3.3 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.

4. Legal Implications (Peter Nicholls)

- 4.1 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.

5. Other Implications

OTHER IMPLICATIONS	YES/NO	PARAGRAPH REFERENCES WITHIN SUPPORTING PAPERS
Equal Opportunities	Yes	Addressing inequalities is a cross-cutting element of the four blocks of the LAA.
Policy	Yes	The introduction of LAAs is a significant policy development in terms of the relationship between central and local government.
Sustainable and Environmental	Yes	Subject to further guidance it is expected that these themes will be addressed through the new fourth block of the LAA.
Crime and Disorder	Yes	Tackling crime and the fear of crime is a major feature of the Safer and Stronger Communities block of the LAA.
Human Rights Act	No	
Elderly / People on Low Income	Yes	Improved outcomes for older people can be delivered through the Healthier Communities and Older People Block of the LAA, while it is likely that poverty issues will be addressed through the new fourth block.

6. Risk Assessment Matrix

A full risk assessment will be carried out when the project manager is in post.

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/or appropriate)
Government could withhold or reclaim LAA pooled funding in the event of, for example significant under performance or year end under spending.	L	M	A robust performance management system will need to be developed.

L – Low
M - Medium
H - High

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M - Medium
H – High

7. Background Papers – Local Government Act 1972

Report to Cabinet – ‘Local Area Agreement’, 25th April 2005

8. Consultations

Consultee	Date Consulted
Financial Strategy (Andy Morley)	23/6/05
Legal Services (Peter Nicholls)	23/6/05
Leicester Partnership Development Manager (Alan Helliwell)	23/6/05

9. Report Author

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Local Area Agreements: Funding Streams

In their 'Advice Note 1' ODPM identified the following funding streams that could / could not be included in LAAs. This list is subject to change.

Department	Indicative list of Funding Streams that could be included in a LAA	
DfES	Adoption Support and Special Guardianship Choice Protects Children's Trust pathfinders Teenage Pregnancy Local Change Fund Vulnerable Children Grant Transforming Youth Work Development Fund Youth Service Disabled Access Vocational and work related learning	Sure Start/Extended Schools (joint with DWP) Children's Fund Education Health Partnerships Primary Strategy Central Co-ordination Key Stage 3 Central Co-ordination Key Stage 3 Behaviour and Attendance LEA support for workforce re-modelling Connexions Safeguarding Children
DfT	Use of mainstream funds may contribute to LAA outcomes	Some demonstration projects
ODPM	Single Community Programme Liveability Fund Neighbourhood Renewal Fund - must be used to tackle deprivation	Neighbourhood Wardens Neighbourhood Management Pathfinders
Home Office	The SSCF Block Building Safer Communities Anti-social Behaviour CDRP allocation HO Regional Directors Fund Business Crime Additional funding streams that are eligible for inclusion have yet to be defined. In the meantime, local areas should identify those funding streams they would like to include.	Domestic Violence Crime Reduction capital Violent/alcohol crime DAT partnership support grant
DCMS	There are some funding streams that are administered regionally or locally by Non Departmental Public Bodies (eg Arts Council, England) that can be considered for inclusion. A number of NDPBs have expressed willingness to either engage or align relevant funding streams. DCMS GO representatives will coordinate and advise on the possibilities for each LAA area.	
DWP	Use of mainstream funds may contribute to LAA outcomes.	
DEFRA	Defra will consider funding streams proposed by LAA pilots on a case by case basis	

Department of Health	Mainstream funding for PCTs included.	
Department	Indicative list of Funding Streams that are <u>not</u> eligible for a LAA	
DfES	Schools' budgets Playing for Success Community Champions Fund Unaccompanied Asylum Seeking Children Leaving Care Grant	Investigation and referral support co-ordinators LEA Music Services School Travel Adviser Budget (with DfT)
Home Office		Police Funding
DWP	Pension and Benefit Payments to Individuals	
DfT	School Travel Adviser Budget (with DfES)	Bus Challenge Fund

Local Area Agreement: Outline Project Plan

Objectives

To develop / negotiate a Local Area Agreement between Leicester City Council and Her Majesty's Government.

To use the development and implementation of the Local Area Agreement as a catalyst to bring about improvement in the delivery of public services in Leicester*

- * Increased focus on (limited number of) shared priorities
- Increased focus on delivery of outcomes
- Extend concept of pooled budgets and commissioning model (PSB?)
- Provide momentum for a 'successful neighbourhoods' agenda
- Support improvements through LPSA
- Support delivery of neighbourhood renewal
- Increased efficiency

Key Tasks

Research / Learning from Pilots

- Compile library of Pilot LAAs
- Attend Conferences / ODPM 'Getting Started' event
- Visit Pilot authority
- Early discussions with GOEM

Awareness Raising

- Report to CDB / Scrutiny / Cabinet / LP on Project Plan
- Presentations to SMTs / management boards
- Partnership event / workshop
- Face / Link / Partnership News
- Develop communications strategy

Project Management Arrangements

- Consider options and representation for:
 - Project Board - Senior representatives of partner agencies and GOEM
 - Project Teams - Four working groups to reflect funding blocks
 - Leicester Partnership LAA Strategic Manager – to oversee the whole project
 - Technical support - (finance / legal / monitoring / data management etc) to support and advise project teams.

- Project Manager - Dedicated city council post through secondment (July – March '06)

Identify Local Priorities

- Community Strategy
- Corporate Plan
- LPSA2
- LP Improvement Plan
- Partner plans / strategies
- Central Government plans / priorities / PSAs
- GOEM / EMDA plans / priorities

Agree a framework for liaison with neighbouring district councils and LSPs

- Consider in the light of Leicestershire County Council and partners being a second phase LAA.

Audit funding streams (across all partners)

- Identify current (qualifying) external funding streams
- Identify commitments (contractual and other)
- Identify potential mainstream funds for 'alignment'
- Identify potential additional external funding streams

Develop proposals for performance management

- Explore options for shared performance management framework

Develop proposals for 'pooled' budgets and commissioning

- Provide briefing note / options paper
- Canvass views of project board

Identify headline indicators / targets

- Audit of existing indicators / targets relating to identified funding streams
- Audit of other headline indicators / targets (Floor targets / community strategy / LPSA / S&SCF etc)
- Develop proposal for rationalisation (c. 60 targets)

Address neighbourhood dimension

- Identify / visit good practice (Sheffield ?)
- Agree approach to priority areas (NRF / worst %5 IMD at SOL)
- Explore possibility of allocating elements of LAA to Area Committees and / or Neighbourhood Management Board

Identify possible freedoms and flexibilities

- Seek proposals from Project Teams
- Put together strong business case

Explore possibility of a Public Service Board for Leicester

- Canvass views of project board
- Learn from experience elsewhere

Consider review of partnership arrangements

- Leicester Partnership
- Develop 'partnership working guidelines' / protocols

Rationalise and synchronise plans / strategies and planning processes

- Community Strategy (Action Plan)
- LP Improvement / Delivery Plan
- Corporate Plan (and service plans)

Indicative Time Frame

May 2005	Submit expression of interest to GOEM GOEM take expressions of interest to ODPM
June 2005	Ministerial announcement of 2 nd phase LLA (22.6.05) Press Release Draft report on project management arrangements produced Revised guidance / toolkit published by ODPM Initial discussions with GOEM Brief Leader / Cabinet Lead / Chair LP
July 2005	Report to Cabinet / Leicester partnership Visit pilot LAA area (Derby / Sheffield?) Produce and distribute basic information on LAAs Outline arrangements for 'partnership event' Identify and brief project team (x4) members Identify and brief (virtual) support team members
August 2005	Initial meeting of 'Project Board' Initial meetings of Project Teams (x4) Organise 'partnership event' Provisional audit of funding streams Provisional audit of headline indicators / targets
Sept 2005	Major partnership event Proposals for key outcomes
Oct 2005	In principle agreement on level of ambition (present options) Confirm key outcomes
Nov 2005	Confirm funding streams, indicators and targets Confirm freedoms and flexibilities to be requested
Dec 2005	Report to Cabinet / LP Submission of LAA to GOEM / ODPM
January 2006	Revise agreement if necessary
Feb 2006	“
March 2006	Report to Cabinet / Council / LP Agreement signed off
April 2006	Delivery commences (<i>phase two</i>)