

AGENDA ITEM NO. 5

REPORT TO: Halton Strategic Partnership Board

DATE: 18 May 2005

REPORTING OFFICER: Local Authority Chief Executive

SUBJECT: Local Area Agreements

1. PURPOSE

The Government has been piloting local area agreements (LAAs). These aim to improve co-ordination between central government and local authorities and their partners working through the local strategic partnership. They focus on agreed, shared outcomes in certain priority areas accompanied by more flexible use of certain targeted funding streams. Government are now seeking expressions of interest for bids for the second phase of LAAs. The purpose of this report is to seek endorsement that Halton pursues a LAA bid.

2. RECOMMENDATION: That the Board agrees that Halton expresses interest in developing an LAA for April 2006.

3. BACKGROUND

The concept of a LAA is that it will spell out the priorities and targets for local well being, based on outcomes which reflect local and national priorities. These then form the basis of an agreement between an LSP and government departments that sets out the aims and funding requirements for activities that lie outside mainstream services – the special initiatives. This approach acts as the basis for a negotiated settlement between a local strategic partnership and government on the overall level and pattern of ‘additional’ spending in an area over a given timeframe, say three years. Once established, the local area agreement helps to bring vertical alignment between national and local priorities. Overall, they reduce the complexity of funding arrangements by allowing more flexibility in the use of government monies and streamlining bureaucracy. The goals should derive from the Community Strategy.

The intention to pilot LAAs was announced in the 2004 Spending Review, as a key way of channelling targeted funding to councils as well as bringing together local partners, to achieve better outcomes agreed with the Government. Halton made an unsuccessful bid in the autumn to be included as one of the 20 pilot authorities.

4. ISSUE

The Office of the Deputy Prime Minister has announced a second phase of LAAs, covering another 40 localities, and to be negotiated by April 2006. It is thought likely that perhaps six local authority areas in the North West will be chosen. At this stage Government Office North West are seeking expressions of interest to be lodged with them by 20 May.

Local Area Agreements have been based on the principles of the shared priorities around three key functional blocks:

- children and young people
- safer and stronger communities
- healthier communities and older people

A new fourth block around economic development has been developed and will be included in future LAAs. The recent budget announced funding for Local Enterprise Growth Initiatives (LEGI) for deprived areas. Where LAAs exist, they will be the mechanism for delivering LEGI. Work is already in hand to reengineer the recently agreed Enterprise Strategy for Halton around the concept of LEGI. This work would form a useful basis for any LAA proposal around the fourth block.

Building on the work of the pilots the process of developing and negotiating LAAs and Local Public Service Agreements (LPSAs) will be brought together. As partners know, Halton is already involved in the LPSA2 negotiation process. If asked to bid it will be helpful to negotiate the two processes in tandem, and for the LAA to be framed around the work already being undertaken for the LPSA.

All areas already have experience of developing an LAA through the Safer and Stronger Communities Fund (SSCF). In effect this now acts as mini-LAA operating across one of the shared priorities agreed between central and local government. Halton has just successfully developed its SSCF Strategy document, which is elsewhere on this agenda for the Board's endorsement. The dynamics of drawing this up is similar to that proposed for LAAs and the developing approaches used in LPSAs. Therefore, Halton has experience it can learn from in mounting an LAA bid efficiently and effectively.

5. CONCLUSIONS

Local area agreements seek to:

- provide intelligent and mature discussion between local and central government, based on a clear framework and shared understanding of national and local priorities
- improve local performance, by allowing a more flexible use of resources, to achieve better outcomes and devolve responsibility

- enhance efficiency by rationalising non-mainstream funding and reduce bureaucracy
- help local partners to join up and enhance community leadership

Halton is now recognised as an “Excellent” authority under the Comprehensive Performance Assessment process. The work of the Halton Strategic Partnership in driving forward the neighbourhood renewal agenda was similarly given the top rating (“Green”) in its most recent government assessment. With this level of leadership being shown, it is clear that an LAA approach to partnership working and delivery of the shared agenda would be an important step forward.

It is suggested that, with the agreement of partners, Halton should respond enthusiastically to the Governments invitation. A draft response is attached to this report.

ATTACHED DOCUMENTS

Draft LAA bid

DRAFT LETTER TO GONW REGIONAL DIRECTOR

Keith Barnes
Regional Director
GONW
Cunard Building
Water Street
Liverpool
L1 4BE

XX May 2005

Dear Keith

LOCAL AREA AGREEMENTS

Thank you for your letter of 23 March about the new round of local area agreements. You will remember that we bid to be a pilot authority for LAAs last year. Whilst we were disappointed not to be chosen in that round we sincerely believe that the LAA approach can help us to achieve our ambitions as an LSP for Halton. We also believe that we can demonstrate approaches to partnership delivery which will prove exemplars of the LAA ethos

We are a high performing and ambitious Council. This was recently recognised through the CPA process in our designation as an "Excellent" authority. We view this as validation for our efforts in developing and beginning a process of transformation. However, we also see it more as a challenge to us to increase momentum in the process of change and find new ways of making a difference. It also gives due recognition to the work carried through jointly with our partners. We recognise that we have to move forward together with them or else not at all. I was equally delighted last year that our LSP was ranked "Green" – the top mark – in the NRU assessment process. This further demonstrates the efficacy of our approach to partnership delivery.

The Halton Strategic Partnership is committed to doing things better and finding new ways of making an impact. We have the potential to make the LAA approach succeed in Halton and generate lessons that are applicable more widely. There are a number of strengths which I would wish to highlight:

- As a Partnership we are engaged in a major process of strategic planning to develop a wholly new Community Strategy. This is based on an objective and inclusive process of building consensus around the key challenges which need to be addressed, and "prioritising the priorities" so we invest in the things that will make the most difference in our most deprived areas the most quickly. We have completed the work to look at socio-economic conditions in the borough along with needs and aspirations. These build into the State of the Borough report. We are now working with partners on baselining, priorities analysis, and an evaluation of partnership working and approaches. It is clear that all of

this work would provide an excellent foundation for taking forward the LAA development process.

- We have already successfully developed our “mini LAA” for Safer and Stronger Communities. The strategy document is now with you for consideration. The collaborative process with partners to develop this proved remarkable smooth. However, it has generated key learning points which have captured and would use in any future development process.
- We welcome the extension of the process to include economic development as a fourth block We also are pleased with the introduction of Local Economic Growth Initiative for the most deprived areas such as ours. It is timely that we recent completed a major process of research and development to draw up a new Enterprise Strategy for the borough. We have already re-engaged consultants to re-engineer this strategy around the framework of LEGI. We are building momentum around building a culture of enterprise in the borough and embedding this in our most depraved areas. Given the synchronicity of our work on LEGI and the LAA development process we believe we can provide useful experience to others in taking forward this new area of LAAs.
- To date, health issues have the top priority for our LSP. As our recent performance management review shows we can already demonstrate substantial impact from the work of partners. We are considering how best we can focus even more on key areas of challenge. We believe that we can make a difference by examining the relationship and networking issues which underpin health impacts. The Halton PCT is now designated as a “Spearhead” and we recently made substantial changes to the executive structure of the Council to better focus on appropriate health issues. We are now looking at creating joint working arrangements on health between the Council and PCT to look at the areas of prevention and promotion. We believe these can make the most impact on health outcome in the areas of deprivation. It would be timely for this work to provide a framework for a robust and innovative approach to health and well being within an LAA
- As part of the restructure I mentioned earlier, we have created a major Children’s Services department. This has arisen from considerable development and proves the Council and its partners have undertaken in looking at the needs and response to the Children’s Act. The DfES has endorsed our approach to date as exemplary and we are well on our way to exceeding all of the demands placed on us in this field. As part of developing our new Children’s Plan we are looking at a number on interesting ways to develop structure sand arrangements which are leading edge in the field. There is the opportunity to use the LAA approach as a way of testing radical approaches to joint working which could raise us to a new level.

I hope these give you a flavour of our enthusiasm to work with local partners and with Government agencies to find new and better ways to make a difference for people lives. We firmly believe that we are ideally placed to be a beacon for the LLA approach. On behalf of the Halton Strategic Partnership Board I would like to formally express our interest in developing an LAA for next year. We would welcome the opportunity to discuss this further with you.

Yours sincerely

David Parr

CC: Mike Greenwood – GONW