
Meeting: Executive
Date: 9 February 2010
Subject: Review and refresh of the Local Area Agreement
Report of: Councillor Mrs Tricia Turner, MBE, Chairman of the Executive / Leader of the Council
Summary: The report seeks the Executive's supports for the proposed changes to the Local Area Agreement (LAA) being made as part of the annual refresh.

Advising Officer: Richard Ellis, Director of Business Transformation
Contact Officer: Giles Probert, Local Area Agreement Manager
Public/Exempt: Public
Wards Affected: All
Function of: Council
Key Decision Yes
**Reason for urgency/
exemption from call-in
(if appropriate)** N/A

CORPORATE IMPLICATIONS

Council Priorities:

The LAA will continue to support the Council's key strategic priorities.

Financial:

Due to the limited proposed amendments to the LAA at this refresh, there will be no impact on budgets.

Legal:

All unitary and upper tier authorities have a statutory duty under the Local Government and Public Involvement in Health Act 2007 to produce a LAA. This duty rests with the Council as the Accountable Body. Continued delivery of work to achieve LAA targets supports a wide range of legal duties.

Risk Management:

Risk management is a key part of indicator delivery plans and these are reviewed quarterly by the respective statutory / thematic partnership.

Staffing (including Trades Unions):

The review process will not have any implications for staffing.

Equalities/Human Rights:

Central Bedfordshire Council has a duty to promote race, gender and disability equality and to tackle discrimination experienced by other vulnerable groups. Many of the Local Area Agreement priorities focus on key aspects where people can experience inequality and discrimination. In order to address this issue and ensure that inequality gaps narrow over time, equality screening reviews have been undertaken in respect of the delivery plans that support the LAA. This aspect of the delivery plans will continue to be enhanced.

Community Safety:

This is an important aspect of Central Bedfordshire's LAA, including four indicators, managed by the Community Safety Partnership.

Sustainability:

This runs throughout the LAA, with its inclusion of a wide range subjects covering Education, Health, Housing, the Economy, civic participation and crime. Specifically the Local Area Agreement contains carbon reduction targets for Central Bedfordshire.

Summary of Overview and Scrutiny Comments:

- In April 2010 the existing Local Area Agreement (LAA) will enter the final year of its three year duration. As such the scope to amend the agreement this time round is limited. The proposal is to reduce targets for 2 of the 33 indicators in the LAA. These alterations being necessitated by the economic climate. With little scope for major change of the existing LAA and with the target negotiations for the two indicators taking place during January and February 2010, the refresh of the LAA has not been taken to Overview and Scrutiny.

RECOMMENDATION(S):

That the Executive recommends to full Council:

- a) the revised LAA target being proposed by Central Bedfordshire Council for National Indicator 152 *Working age people on out of work benefits* as detailed in paragraph 12 of this report.**
- b) the revised LAA targets being proposed by Central Bedfordshire Council for National Indicator 154 *Net additional homes provided* as detailed in paragraphs 13 and 14 of this report.**

Reason for

Recommendation(s):

Central Bedfordshire Council is the Accountable body for the Local Area Agreement. The refreshed LAA therefore needs to go to full Council on the 25 February 2010, enabling it to then be submitted to the Government Office for the East of England (GO-East) on the 12 March. GO-East will then on the 17 March 2010 send it to the Secretary of State for formal sign off.

Executive Summary

The Council as the Accountable Body for the Local Area Agreement has the statutory duty to refresh the LAA annually. The refresh follows a review of the existing LAA conducted by the Government Office for the East of England (GO-East). This year's review has been light touch following closely on from the Comprehensive Area Assessment. The review report being produced by GO-East will be available in early February 2010.

Due to the fact that in April 2010 we will be entering the final year of this three year LAA the scope to alter the agreement this year is relatively limited. Changes focus on the renegotiation of targets for three indicators that were frozen in 2009 due to the effects of the economic recession. The only other change being proposed was the possible inclusion of an additional indicator by the Community Safety Partnership.

This report provides an overview of the review process and the proposed amendments to the LAA.

Whilst it was possible to renegotiate targets for three indicators, the proposal is that amendment is only being sought in respect of two as the other is already measured against a regional average. Reduced targets are proposed in respect of *NI 152 Working age people on out of work benefits* and *NI 154 Net additional homes provided*. The proposal to include an additional indicator proposed by the Community Safety Partnership is not being taken forward.

Following the full Council meeting on the 25 February 2010 the refreshed LAA document has to be submitted to GO-East by the 12 March 2010 so that it can be submitted to the Secretary of State for formal sign off.

Background information

1. As set out in *Strong and Prosperous Communities (2006)* and the subsequent Local Area Agreement (LAA) *Operational Guidance* paper, all LAAs are subject to an annual review. The review is a joint exercise between the Government Office for the East of England (GO-East) and the Local Strategic Partnership and its statutory and thematic partnerships.
2. The review is designed to inform the refresh of the LAA, although as we will be entering the third year of our existing three year LAA in April 2010, there is very limited opportunity this time round to change the existing agreement. A copy of the current LAA is attached at Appendix A.

The Local Area Agreement review process

3. The review commenced in December 2009 with a series of meetings between lead officers for the statutory and thematic partnerships and representatives from GO-East.
4. The purpose of the review is to:
 - (a) measure progress against the "designated" LAA targets. It does not cover those indicators that have been included as local targets and do not form part of the reward calculation.
 - (b) consider the level of support being provided to achieve targets.
 - (c) identify the risks to future delivery.

- (d) examine partnership arrangements.
 - (e) review the involvement of citizens, communities, stakeholders and the voluntary and community sector.
5. GO-East have stated that this year's review process will be light touch and have proposed that, unlike in previous years where each LAA area was provided with a review report, this year they will only produce a regional report. However GO-East will be providing a local summary for Central Bedfordshire. The review, whilst focusing on the delivery of our agreed priorities, will also take into account the risks identified by the Comprehensive Area Assessment and the progress made in resolving the issues identified at the last review.
6. The finalised review report being produced by GO-East will not be available until early February 2010 and is due to go to the LSP meeting on the 11 February 2010 alongside a draft of the refreshed LAA document. From discussions with GO-East it is envisaged that the localised summary of the review report will include amongst other points the following:
- (a) Confirmation that strong mechanisms have been put in place to support the delivery of the LAA indicators, including the use of a consistent set of delivery plans covering all 33 indicators.
 - (b) Recognition from GO-East that since the last LAA review where performance monitoring was raised as a concern, that there has been considerable strengthening of the mechanisms that each thematic / strategic partnership has put in place to monitor LAA indicator performance, particularly in the way that the information is reported to the LSP. The development of a theme leads performance group would be welcomed by GO-East as they believe it would not only increase challenge but would also provide greater opportunity to engage wider participation in the delivery of indicators.
 - (c) Re-emphasising the need to continually ensure wider engagement in delivery and reflect this in the delivery plans.

Production of a refreshed Local Area Agreement Document

7. As we are entering the third year of the current three year LAA, the refresh will be limited to renegotiating targets for a small number of indicators that were frozen in 2009 due to the impact of the economic downturn. For Central Bedfordshire the targets that can be renegotiated are:
- (a) NI 152 Working age people on out of work benefits
 - (b) NI 154 Net additional homes provided
 - (c) NI 172 VAT registered businesses in the area showing growth.
8. It is not possible to remove these frozen indicators, but we are able through negotiation and the production of evidence to have the previously agreed targets amended. Renegotiation of these indicators is being led by Liz Wade, Assistant Director Economic Growth & Regeneration.

9. For NI 152 *Working age people on out of work benefits*, the current target is to reduce the percentage of people on out of work benefits from 6.5% in the 2007/08 baseline year to 6.2% by March 2011. This was the equivalent of reducing the total number of people on out of work benefits by 560 people. Since the target came into being considerable effort has gone into achieving this target, in fact in 2008/09 3,135 people have been helped to move off out of work benefits and into work. The latest data shows that in the first half of 2009/10 a further 2,870 people have been helped in this way. Despite this effort the affects of the recession have translated in to significant increases particularly in 2008/09 in the numbers of people in Central Bedfordshire and nationally receiving out of work benefits such as Job Seekers Allowance. As a result this indicator was frozen in 2009.
10. In renegotiating the target for NI 152 Central Bedfordshire has considered carefully changes in the percentage of people on out of work benefits during the recession. The table below shows the change in benefit rates (%) since the baseline in quarter 2, 2007 up to the latest official data available.

Benefits rate	Qu 2 2007	Qu 3 2007	Qu 4 2007	Qu1 2008	Qu2 2008	Qu3 2008	Qu4 2008	Qu1 2009
Central Bedfordshire	6.4	6.4	6.3	6.2	6.2	6.3	6.5	6.9
East of England	9.0	8.9	8.8	8.8	8.8	8.8	9.0	9.4
England	11.7	11.6	11.4	11.3	11.3	11.3	11.5	11.9

11. Looking at the latest comparative data Central Bedfordshire has suffered slightly more than the region but significantly more than the England average that was already in 2007 much higher than the Central Bedfordshire rate.
12. Guidance from GO-East suggested the use of a revised target linked either to the regional rate or the rate for England. This was felt to be too challenging due to the fact that the regional and England rates had suffered less than the rate for Central Bedfordshire in the recession. Careful analysis of the on and off flows of people claiming out of work benefits has resulted in Central Bedfordshire proposing a target of 6.6% by March 2011.
13. For NI 154 *Net additional homes provided* the targets for northern Central Bedfordshire area remain as set, as this was fully reviewed and reset last year. These targets are 390 net additional homes for 2009/10 and 324 for 2010/11. This year negotiations are based on resetting the targets for the Southern Growth area which is made up of South Central Bedfordshire and Luton, to take into account the housing market conditions.

14. Our performance for NI 154 is judged against our targets for the northern Central Bedfordshire area and the Southern Growth Area made up of south Central Bedfordshire and Luton. We are not judged on performance in south Central Bedfordshire on its own. The table below shows the proposed changes to the Southern Growth Area targets that are being negotiated this time round. The figures show the net number of additional homes.

	2009/10		2010/11	
	Original	Proposed	Original	Proposed
Central Bedfordshire (Southern)		331	1,415	1,012
Luton		391	640	488
Total South Growth Area	1,095	722	2,055	1,500

15. It has been agreed that the targets for NI 172 *VAT registered businesses in the area showing growth*, will not change as the indicator links our performance to that of a regional average and our aspiration should remain that our businesses should be growing at least as fast as the regional average. Recent data suggests that this gap has closed.
16. At the time of drafting this report the amendments for NI 152 and NI 154 have not been formally agreed by GO-East and are still subject to sign off by the Secretary of State at the end of March. An update to the position of the proposed amendments to these two indicators will be included in the report to full Council which will be with democratic services on the 11 February 2010.
17. Whilst it is not possible to remove indicators, the refresh process does enable new indicators to be added where it is felt they are needed to address a specific priority that is not already covered. Central Bedfordshire's LAA is wide ranging, however, one additional local indicator was proposed for inclusion by the Community Safety Partnership.
18. The proposed indicator was NI 21 which measures public confidence in the police and local authorities' ability to deal with local concerns about anti-social behaviour and crime. Following careful consideration of this indicator and the information supporting it, the Community Safety Partnership Executive at its meeting on the 21 January 2010 decided that it would not pursue its inclusion in the Local Area Agreement but would instead take this work forward as part of the work of the Community Safety Partnership.

Conclusion and Next Steps

19. The review report being produced by GO-East will be presented to Local Strategic Partnership by GO-East at its meeting on the 11 February 2010.
20. Finalisation of the frozen target negotiations in early February 2010 will result in a refreshed LAA document being produced in February 2010. Every effort is being made to ensure that this is available for circulation with the report to full Council.
21. As the statutory responsibility to negotiate an LAA rests with the Council as the accountable body, the final document is subject to a formal signed off by Full Council at its meeting on the 25 February 2010.

Appendices:

Appendix A – Current version of the Local Area Agreement produced in March 2009

Background Papers: None

Location of papers: N/A