

SIX-MONTHLY REVIEWS OF LOCAL AREA AGREEMENTS

Purpose of this note

1. This note offers Government Offices (GOs):
 - a) general guidance on how to approach the six-monthly reviews of LAAs,
 - b) specific guidance on the first Annual Reviews of round one (pilot) LAAs, and
 - c) specific initial guidance on the first six-monthly reviews of the round two LAAs and on the second year of the round one (pilot) LAAs.
2. This note has been produced by the Department for Communities and Local Government (DCLG) in consultation with other Government Departments, GOs, Local Authorities (through the LGA), the Audit Commission and the IDeA. It updates and replaces the previous guidance issued in July 2005 on how to go about the first six-monthly assessment, drawing on that experience and reflects the latest [LAA guidance](#) issued in March 2006.
3. Although primarily written for GOs, GOs are encouraged to share all or parts of this guidance with all those members of the local partnership who are or will be involved in the six-monthly reviews of the LAAs in their region as appropriate to encourage common understanding and expectations of the process.
4. The performance management of LAAs, including the six-monthly review process will be subject to continuous improvement, drawing on local partnerships', GOs' and central government's increasing experience. DCLG will continue to work with all interested stakeholders to identify and disseminate good practice and lessons learned and, where appropriate, to provide any necessary updated guidance notes.

Action Required

5. All GOs are asked to:
 - a) complete the annual reviews of the round one (pilot) Local Area Agreements (LAAs) in their region and submit the evidence provided by local partnerships and GOs' highlight reports to the Department of Communities and Local Government (DCLG) by 14 July 2006; and
 - b) complete the first six-monthly reviews of the round two LAAs and of the second year of the round one (pilot) LAAs in their region and submit the evidence provided by local partnerships and GOs' highlight reports to DCLG by 8 December 2006.
6. It is recognised that GOs will already be well advanced in their preparations for the annual reviews of the round one (pilot) Local Area Agreements (LAAs) in their region and will almost certainly already have scheduled their annual reviews with local partnerships. Where these have been scheduled so that they will not be complete until after 7 July and really cannot be brought forward to be so, GOs are asked to contact DCLG as soon as possible, to discuss and agree the way forward for these specific cases.

Contact

7. The primary contact at DCLG to whom the evidence provided by local partnerships and GOs' highlight reports should be sent and queries about this guidance made is Richard Greenhous at:

Zone J10 / 5th Floor
Eland House
Bressenden Place
London SW1E 5DU

Telephone: 020 7944 2538

Email: Richard.Greenhous@communities.gsi.gov.uk

The Purpose of the six-monthly reviews

8. The six-monthly review is a process through which the local partnership reports on and discusses with the GO progress against all outcomes and targets contained in its LAA and spend. This is likely to take the form of the submission of evidence by the local partnership to the GO and to culminate in a meeting or series of meetings between the local partnership's representatives and the GO and the agreement of any necessary actions, which the GO reports to central government.
9. The primary objectives of the six-monthly reviews are to:
- assess progress towards the individual outcomes and targets set out in the LAA over the last six months and, if the annual review, over the last financial year.
 - assess whether the local partnership is on track to deliver the individual outcomes and targets set out in the LAA;
 - agree any action needed to address under-performance, including what support could be offered by central Government, the Government Offices, and local partners;
 - compare spend against profile to date on a per block basis, or the single pot in single pot areas and establish a clear accepted explanation for any differences.
10. In addition as part of the six-monthly reviews, GOs are asked to gauge what difference the introduction of the LAA has made, including:
- to what extent the primary objective of LAAs is being delivered: to deliver genuinely sustainable communities through better outcomes for local people, and
 - to what extent the secondary objectives of LAAs are being delivered:
 - Improving Central and Local Government relations
 - Enhancing efficiency
 - Strengthening partnership working
 - Offering a framework within which local authorities can enhance their community leadership role.
11. The six-monthly reviews' objectives specifically exclude:
- renegotiation of targets, which should be addressed in the annual refresh; or
 - detailed discussion or judgements about the local area's options and plans for delivering stretch targets (see [Annex A](#) for more information).

Evidence to be presented at six-monthly reviews

12. Local partnerships are primarily responsible for performance managing their own LAAs. They should therefore provide the GO with the necessary information to meet the objectives of the six-monthly reviews described at paragraph nine and assess progress. This should be in a mutually agreed format and provided by an agreed deadline that is sufficiently early to allow the GO enough time to digest the evidence in advance of the review meeting(s). This information will need to include:
 - a) performance data for each target / indicator in the LAA, showing progress against the expected trajectory and target in the LAA, including identifying progress over the last six months, and, if the annual review, over the whole of the last financial year;
 - b) a judgement on whether the local partnership is on track to deliver the individual outcomes and targets set out in the LAA and if not an explanation of what plans are in place or action is being taken to bring it back on track; and
 - c) the statement of grant use for the relevant period with a clear explanation for any differences between profile and spend.

13. Clearly the six-monthly reviews sit in the context of a wide range of other local activities and information flows and within the local partnership's overall strategy. Wherever possible the local partnership and the GO should agree how to ensure that these and the review process are as aligned as possible so as to avoid creating additional unnecessary and/or duplicative meetings and other processes or complexity. Local partnerships and GOs should agree how, between them, they can minimise the burden of the review process and in particular of providing the evidence for the review, including by avoiding having to:
 - a) collect additional information unnecessarily, or
 - b) re-report information that the GO already holds. For instance the local partnership and/or Government Office may be able to draw data to be presented to the review from existing sources, such as, but not limited to:
 - i. the relevant un-audited Best Value Performance Indicators available by July
 - ii. the Policing Performance Assessment Framework where LAA and police performance priorities and targets are aligned
 - iii. Crime and Disorder Reduction Partnerships' Strategic Assessments;
 - iv. Children and Young People Self Assessment sent to Ofsted / CSCI
 - v. Childrens Annual Performance Assessment;
 - vi. Social Care Delivery and Improvement Strategy sent to CSCI
 - vii. NEXUS data from Connexions partnerships
 - viii. IQuanta
 - ix. Youth Justice Plans (sent to the Youth Justice Board)
 - x. The Audit Commission's Area Profiles
 - xi. Self assessments provided to and reports published by the Audit Commission or other inspectorates following annual or regular assessments or inspections
 - xii. Traffic light rating of the LSP's partnership working

- xiii. The statement of grant
14. In reaching any such agreement to minimise the burden the GO and local partnership will need to ensure that it leaves all parties are in no doubt about exactly who is responsible for doing what to assemble the necessary information.
15. Exactly what format this evidence is provided in is for the local partnership to agree with their GO. But experience of the first 6-month reviews suggests that this should be a single document, comprising:
- a) a brief overview narrative, structured to reflect the four policy outcome blocks of the LAA (except where there is a single pot), which highlights any particularly good performance and/or examples of innovative ideas which are delivering, and any problems and how they are being or might be resolved;
 - b) the actual performance data including baselines, targets and actuals; and
 - c) simple visual devices, such as colour coding /traffic lights, and direction of travel indications, such as arrows or faces, to show progress against planned trajectories.

The review meeting(s)

16. Once the local partnership has submitted the necessary evidence to the GO, this is likely to be followed by a meeting or series of meetings between the local partnership's representatives and the GO. The meeting(s) should evaluate the evidence put to it to meet the primary objectives given at paragraph nine above through intelligent and mature dialogue.
17. Discussion should focus on:
- a) good performance and why it's being achieved, including examples of innovative ideas which are delivering;
 - b) problems, barriers and their resolution;
 - c) support that could be offered by central Government, including the Government Offices, and local partners; and
- Levels of discussion should be proportionate, depending on performance and risk to delivery and should be tailored towards the individual circumstances of the area.
18. Where it is agreed that progress is not being made on elements of the LAA, the GO will explore, challenge, question, joint problem-solve and support the local partnership or agree appropriate interventions, using the ladder of intervention described at Annex C.
19. Where a significant issue is raised of particular relevance to a specific government department or other body such as:
- a) notably strong or weak performance in a specific government department or other body's area of concern,
 - b) the GO proposes to intervene to address weak performance,
 - c) support from that government department or other body is required, or the GO should liaise with the relevant government department(s) or other relevant bodies directly at the earliest appropriate opportunity to discuss

and where necessary agree and confirm action that needs to be taken, while keeping DCLG informed.

20. The six-monthly review meeting(s) will also provide an important opportunity to look forward to the year ahead and to flag issues, including some that might be addressed in the annual refresh of the LAA.
21. The GO and the local partnership will need to agree who from each should attend the meeting(s) on the basis of who will best be able to represent and discuss the issues to be focussed on in the meeting and to agree the actions coming out of it. This might include the Leader and Chief Executive of the local authority, the LSP chair, the GO Regional Director of Practice, GO area or block leads and/or any others necessary to fulfil the objectives of the meeting(s).

GOs' report to central Government

22. The GO is expected to report the outcomes of the six-monthly reviews to central government, using the template at [Annex B](#).
23. Each GO Regional Director is to provide a highlight report on each LAA's six-monthly review for DCLG. This high level report should draw on the evidence presented during the review and the additional information and judgements reached at the meeting(s). It should assess and provide a commentary on:
 - a) overall progress towards the outcomes and targets set out in the LAA and a judgement on whether they are on track to be delivered, drawing particular attention to:
 - i. areas of strong performance, including any examples of innovative practices which are delivering, which could be of wider application
 - ii. areas of weak performance, risks to delivery and the plans in place and/or action being taken to address them, including what, if any, support could be offered by central Government;
 - iii. any instances where the delivery arrangements for any outcomes are unwittingly undermining others or causing other detrimental impacts;
 - b) any continuing concerns surrounding spend arising from the statement of grant and/or the annual review discussion; and
 - c) what difference the introduction of the LAA has made
24. This highlight report and the original evidence and data presented by the local area to the annual review should be sent to DCLG according to the timetables below.

Central Government's response

25. DCLG will circulate these highlight reports and make the evidence presented by the local area to the annual review available to the LAA Programme Board including all other Government departments who wish to see them.

26. DCLG will draw the key points from the highlight reports and present these to:
- a) DCLG Ministers in a submission before the summer Parliamentary recess
 - b) The LAA Programme Board
- then relay any response from Ministers back to the GOs.
27. Where the annual review has identified notably weak performance, the GO and the relevant government departments should work together as appropriate to help the local area to address it and, if necessary, intervene using the ladder of intervention described at [Annex C](#).

Specific guidance on the first Annual Reviews of round one (pilot) LAAs

28. The following is guidance in addition to the above, which applies specifically to the first Annual Reviews of round one (pilot) LAAs.
29. This review is to cover the financial year 2005/6 and in particular in the six months since the first six-monthly review in November 2005. This means that the performance data given should be for each target / indicator in the original LAA as they were before any refresh that may have taken place. This is on the assumption that it is these against which progress will have been measured over the period and that there will not yet be any data for any new targets or indicators agreed as part of any refresh. If, however, a refresh has been signed off that replaced targets or indicators with new ones because those in the original LAA proved impossible to measure and appropriate data is available then the local partnership and GO may agree to assess progress against the new targets or indicators agreed as part of that refresh signed off.
30. For any area that pooled Sure Start funding in 2005/6, it is particularly important that the local partnership returns the data expected on Sure Start to inform the full evaluation currently underway to determine whether Sure Start services are thriving where they are included in LAAs and so confirm whether the Government will be able to pool General Sure Start Grant (including Sure Start local programmes) resource funding in the third round of LAAs. The six monthly Statement of Grant Usage templates specify that separate spend is needed on Sure Start Local Programmes and children's centres. The evidence provided by the local partnership should also include data against all the mandatory indicators for Sure Start. But the evaluation will be particularly interested in the three Sure Start Local Programme indicators: smoking during pregnancy, mothers' breastfeeding at six weeks and new babies visited in the first two months. GOs are therefore asked to draw these out in their highlight reports.
31. The timetable to be followed is overleaf. Please note that all dates given are the latest on which the specified action can take place. GOs and local partnerships may need to agree earlier dates for some milestones in order to meet later ones.

Action	Latest date for the action to take place
Local partnerships to have reported annual audit statement and end year statement of grant to GOs who will pass these on to DCLG	15 May 2006 (See previous guidance issued by James Holdaway on 27 April 2006 and/or contact Peter Barnes-Austin on 0207 944 5013 or at Peter.Barnes-Austin@communities.gsi.gov.uk)
Local partnerships to have reported the necessary evidence to the GO	30 June 2006 or at an earlier date in advance of the Annual Review Meeting agreed between the GO and the local partnership, whichever is first
Annual Review meetings to have taken place	7 July 2006
GOs to send their reports and the original evidence and data presented by the local partnership to the annual review to DCLG, which DCLG will then circulate to the LAA Programme Board	14 July 2006
DCLG Submission to Ministers on highlights from GOs' reports and circulate paper to LAA Programme Board	24 July 2006
DCLG to relay any initial feedback from DCLG Ministers to the GOs	31 July 2006
All central government departments to have provided GOs with any fundamental feedback or queries that they have	4 August 2006
GOs to respond to all central government departments' fundamental feedback or queries received by 4 August	25 August 2006
All central government departments to have provided GOs with any further feedback or queries that they have	1 September 2006
GOs to respond to all central government departments' further feedback or queries received by 1 September	29 September 2006

32. We recognise that this is a tight timetable but need to provide the necessary information to Ministers before the Parliamentary Recess starts on 25 July. Although this note proposes that Annual Review meetings should take place by 7 July, GOs and local partnerships will need to agree a timetable that allows them to meet these final deadlines. This may mean that the various milestones need to be reached some time in advance of

these final deadlines. GOs and local partnerships may also wish to note and plan around other events such as the Local Government Association Conference in the first week of July.

33. It is recognised that GOs will already be well advanced in their preparations for the annual review and will almost certainly already have scheduled their annual reviews with local partnerships. Where these have been scheduled so that they will not be complete until after 7 July and really cannot be brought forward to be so, GOs are asked to contact DCLG as soon as possible, to discuss and agree the way forward for these specific cases.

Specific initial guidance on the first six-monthly reviews of the round two LAAs and of the second year of the round one (pilot) LAAs.

34. The following is initial specific guidance on the first six-monthly reviews of the round two LAAs and of the second year of the round one (pilot) LAAs. It has been impossible to consult stakeholders on this in advance of the publication of this note. Stakeholders' comments are therefore welcome, in light of which the following may need to be revised in due course.
35. This review is to cover the six months 1 April 2006 - 31 September 2006 and should cover all targets and indicators in the LAA. The only exceptions will be where data is not available on a six-monthly basis. Where a pilot LAA has been refreshed for 2006/7, it is performance against the targets and indicators in the refreshed LAA that should be reviewed.
36. Where any gaps in indicators and targets in the LAA remain, these must be discussed and agreed by the local partnership and the GO at the six-monthly stage.
37. For any area that pooled Sure Start funding in 2006/7, the evidence presented by the local partnership will need to include that outlined at paragraph 30 above.
38. The provisional timetable to be followed is overleaf. Please note that all dates given are the latest on which the specified action can take place. GOs and local partnerships may need to agree earlier dates for some milestones in order to meet later ones.

Action	Latest date for the action to take place
Local partnerships to have reported the necessary evidence to the GO	10 November 2006
Six-monthly review meetings to have taken place	30 November 2006
Local partnerships to have reported six-month statement of grant to GOs who will pass these on to DCLG.	30 November 2006
GOs to send their reports and the original evidence and data presented by the local partnership to the six-monthly review to DCLG, which DCLG will then circulate to the LAA Programme Board	8 December 2006
DCLG Submission to Ministers on highlights from GOs' reports and circulate paper to LAA Programme Board	15 December 2006
DCLG to relay any initial feedback from DCLG Ministers to the GOs	22 December 2006
All central government departments to have provided GOs with any fundamental feedback or queries that they have	12 January 2007
GOs to respond to all central government departments' fundamental feedback or queries received by 12 January	9 February 2007
All central government departments to have provided GOs with any further feedback or queries that they have	16 February 2007
GOs to respond to all central government departments' further feedback or queries received by 16 February	9 March 2007

**LOCAL AGREEMENTS AND PARTNERSHIPS DIVISION
DEPARTMENT FOR COMMUNITIES AND LOCAL GOVERNMENT
19 MAY 2006**

STRETCH TARGETS

It is probably inevitable that, as GOs monitor areas' progress on delivering LAA targets generally, progress on achieving stretched targets (i.e. the difference between unstretched and stretched positions) is something that local partnerships will want to raise.

Once stretched targets, attracting performance reward grant, are signed off, they cannot be re-negotiated. The reason for this is that the Government and areas share any risk that the achievement of stretch becomes easier or harder than anticipated. It follows that GOs are unable to be drawn into detailed discussions or judgements about the areas' options and plans for delivering stretch. This is because in offering advice or support the GO becomes a participant in the area's stretch delivery plans, and might therefore, in extreme cases, be subsequently implicated in any failure to achieve stretch, possibly even clouding the issue of how much PRG to pay.

It is recognised that LAAs require of GOs a new, supportive relationship with areas, but GOs need to be careful to distinguish between proactively offering solutions or endorsing ideas from areas, which they are unable to; and inviting areas to propose say, additional enabling measures which the area believes would help; and then championing them with Government Departments as appropriate. This latter course is fine.

There may be a range of situations in which GOs need advice. If so, they should contact Richard Anderson, head of the LAA reward team on 0207 944 6728.

**TEMPLATE FOR GOVERNMENT OFFICE'S HIGHLIGHT REPORTS TO
CENTRAL GOVERNMENT ON THE SIX-MONTHLY OR ANNUAL REVIEW
OF EACH LOCAL AREA AGREEMENT**

[INSERT NAME OF GOVERNMENT OFFICE] HIGHLIGHT REPORT ON

[INSERT NAME OF LAA] LOCAL AREA AGREEMENT

[INSERT PERIOD COVERED BY THE REVIEW]

1) Overall progress

Red	There are serious risks to the delivery of a significant proportion of the outcomes and targets set out in the LAA and many of these remain to be addressed.
Amber	There are risks to the delivery of some of the outcomes and targets set out in the LAA but there are plans and actions in place that are likely to address these.
Green	There are no more than minor risks to the delivery of a small proportion of the outcomes and targets set out in the LAA. Where risks exist there are clear plans and actions in place that will address them.

(delete two of the above cells as applicable to leave that which most closely represents the GOs' assessment)

Describe overall progress towards the outcomes and targets set out in the LAA. This high level report should draw on the evidence presented to the annual review and the additional information and judgements reached during the review. It should assess and provide a commentary on whether outcomes and targets set out in the LAA are on track to be delivered, drawing particular attention to:

2) Strong performance

- a) Describe any key areas of strong performance, including any examples of innovative ideas which are delivering, which could be of wider application

3) Weak performance

- a) Describe any key areas of weak performance

4) Addressing weak performance

- a) Describe what plans are in place and/or action being taken to address any key areas of weak performance including what, if any, support could be offered by central Government

5) Spend

- a) Describe any key continuing concerns surrounding spend arising from the statement of grant and/or the annual review discussion.

6) The impact of the LAA

- a) Describe any key differences the implementation of the LAA has made.

7) Other key issues

- a) Describe any other key issues arising from the review process that the GO believes should be drawn to central government's attention.

ADDRESSING UNDERPERFORMANCE

1. Areas need to identify their own weaknesses and support needs with their Government Office and agree with the Government Office how to address them. However, if sustained underperformance of a partnership is identified, the Government Office will act to ensure action is taken by local partners. This action will depend on the nature of the problems, but is likely to include the following progressive steps:
 - a) engagement of external support from outside the partnership – e.g. to build capacity, such as access to LSP delivery support arrangements;
 - b) more regular monitoring of performance from the Government Office; and
 - c) agreement of diagnoses and improvement plans with the Government Office.

2. Where performance has returned to trajectory, or shows every indication of doing so, partners and the Government Office (which will be in touch with the relevant Central Government department(s)) should agree the terms and process of disengagement to ensure continued improvement. The partnership will want to continue monitoring performance closely as support is disengaged. Local partners will need to respond rapidly, should performance once again dip.

3. In cases of chronic and/or sustained underperformance, i.e. over several consecutive quarters, the Government Office will work closely with the relevant central government stakeholders. ‘Chronic or sustained underperformance’ is defined here as when actual performance against LAA planned milestones presents significant risks to the timetable for achievement of agreed LAA targets. In consultation with the local partnership, the Government Office may require any or all of the following steps to be taken:
 - a) a revised diagnosis and/or improvement plan led by central government or external experts;
 - b) the re-imposition of ring-fencing of funding streams and potentially separate reporting arrangements;
 - c) the dissolution of the LAA as a whole;
 - d) cessation of funding stream payments.

4. It is recognised that there is as yet little experience to draw on of implementing the ladder of intervention described above. Clearly this will need to be developed in light of experience when it arises. So when facing any potential need to address underperformance, GOs are asked to liaise with Richard Greenhous (see contact details at paragraph 7 of the guidance note) who leads on LAA performance management policy and David Galliers (david.galliers@gowm.gsi.gov.uk) who leads on LAA performance management implementation, so that experience can be captured and shared and used to further develop the policy and its implementation.