



The Local Area Agreement toolkit

Why have Local Area Agreements?

LAAs represent a radical new approach to the way local authorities and their partners can use Government funding to support the implementation of national, regional and local priorities in local areas. As emphasised in the [Local Area Agreement Prospectus](#) and [LAA Guidance](#), they are agreements struck between Government, the Local Authority and its partners in an area (working through the Local Strategic Partnerships) to improve public services.

Why a toolkit?

The first [20 LAAs](#) were signed on 22 March 2005. This toolkit picks up on the lessons learnt from these areas. In particular, it highlights some of the challenges that will arise as an LAA develops, and how these might be resolved. The toolkit uses case studies drawn both from the experience of the first LAAs, and emerging issues from their evaluation, and it provides ideas and suggestions, not a required model.

The idea for a toolkit came from a number of people from different backgrounds involved in the first LAAs, including local practitioners and staff in Government Offices, who were keen to share what went well and, as importantly, what went less well, with colleagues. It is therefore a resource for anyone involved in the development of LAAs. It is not meant to be read from cover to cover. As a web-based resource you can dip into it as you reach certain milestones in your LAA's development or to research areas of particular interest to you. To make this easier, the toolkit is structured around key stages of the LAA process. These include:

- Getting started
- Developing the LAA
- Negotiations, the reward element, freedoms and flexibilities
- Sign off
- Performance Management

The final section of the toolkit signals further general sources of advice, guidance and support.

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LAAs - TOOLKIT AND SUPPORT PROGRAMME COMPONENTS

Section 1. Getting Started

Getting partners involved

LAAs depend, at all stages in their development, on effective partnerships. The first LAAs were at their strongest when they fully involved all members of the LSP including the Local Authority, other local partnerships, and the business and voluntary and community sectors. This required:

- Having a joint evidence base and shared outcomes
- Building the LAA on the vision and targets set out through the area's Community Strategy
- Agreeing from the outset how the LAA would be designed, consulted on, agreed – and delivered

None of this is easy. LAAs are about team work and, like any team, work needs to play to the strengths of individual players. Local Authorities and Government Offices have a unique role in the team, with the Local Authority as overall Accountable Body and the Government Office as in the lead for negotiation on behalf of Government. The Local Strategic Partnership, Crime and Drugs Partnerships¹ Partnership and children's trust partners will all play key roles in the development of the LAA, as well as other local partners/partnerships.

While all LAs, their partners and GOs have developed different ways of working, experience from the first 20 is that there are a number of key success factors:

- The Government Office appoints a member of its senior management team with a strategic overview of the locality to be the pilot lead negotiator for Government;
- Local Authorities have member and Chief Executive involvement from the outset and get buy-in from senior officers in the public sector partner organisations;
- The GO and LA identify leads for each block with support from other specialists as required - all with the ability to provide effective challenge during negotiations to ensure the outcomes and targets are robust, achievable and can be properly evidenced;
- The LA leads consult widely both within the local authority itself and with local partners;

¹ Crime and Drugs Partnerships refers to all local arrangements covering the roles of Crime and Disorder Reduction Partnerships (CDRPs) and Drug Action Teams (DATs). CDRPs and DATs should either be merged or have close working relationships.

- A mechanism is required for ensuring consistency in the approach to the LAA and for taking a view of an emerging agreement as a whole;
- A communications strategy to agree a regular flow of information between partners and GOs throughout the negotiating process;
- Individuals with strong interpersonal skills who can resolve difficult issues arising during the negotiations;
- Engage the voluntary and community sector from the outset, based on [Compact principles](#)
- Early consideration of how the proposals will be implemented

The LGA and IDeA have also drawn up a [set of questions](#) that LSPs and LAs may like to think about when launching an LAA.

Making this real with partners and local people

You will find very different levels of awareness and understanding of LAAs across partnerships and stakeholders. It helps to start with a partner-wide workshop or event to get everyone up to speed on the purpose of LAAs. This can also be a way of identifying key priorities and barriers. Crucially, they are an excellent way of generating ideas, radical or otherwise. The tone for future engagement can be set at these workshops: there is always a danger that LAAs are seen just as a technical exercise, and you want to be sure all partners remain enthused and committed to the rich potential for change and improvement LAAs offer.

Sheffield kicked off its LAA with a major partnership event involving over 60 participants from statutory, voluntary and community organisations across the city to scope out what the city wanted to achieve through the LAA, how themes could be taken forward, and which funding streams could be included. Following the initial draft, an even larger second city-wide event was held to allow for more detailed proposal development and wider consultation.

Wolverhampton Strategic Partnership agreed at the outset a number of key principles to guide their approach. This included using the LAA to focus on existing partnership priorities (e.g. neighbourhood renewal) and to connect to mainstream funding wherever possible.

Stockton and **Gateshead** similarly agreed a set of guiding principles which agreed on the need for the LAA to act as a key mechanism for improving local delivery owned by the whole partnership.

Getting support

The IDeA is providing a support programme for LAs and their partners. This includes on site consultancy for the next round of LAA authorities, learning networks and conferences and access to good practice and on-line help. Further detail is available from the [IDeA](#).

A full list of support available for areas receiving funding for neighbourhood renewal can be found at the end of the document. It is important for NRF LSPs to continue to use these resources to ensure neighbourhood renewal is delivered through the LAA. The methodology in the Floor Target Action Plan can help areas draw up plausible and deliverable proposals and plans for their LAA that link baselines, interventions and outcomes.

In **Wolverhampton**, a Neighbourhood Renewal Advisor (NRA) acted as an assignment manager, helping the partnership through the discussions to identify the outcomes framework, providing a challenge function to provide rigour to the discussions and identifying further support. This support has continued into the implementation phase during Year 1 and has led to further NRA specialist input, for example work with the Community Voluntary Sector and in relation to the Children's and Young People's strand.

Working in two tier areas

The development of LAAs in two-tier areas can be considerably more complex and require more investment of resources in building effective partnership approaches.

Kent, Suffolk, and Derbyshire - overcame a number of difficulties in developing the LAAs. (Further information being agreed with the GO and pilots)

Hampshire, although not an existing LAA is a good example of an area which has done this. A compact has been negotiated to set out to the districts to move ahead with community planning and this has been supplemented by explicit negotiated collaboration between county and districts. County officer support is available to districts.

There are real advantages to closer working between the county and districts that can be facilitated by the LAA but build on existing relationships and joint projects.

West Sussex - developed a project through the Innovations forum on 'joint working in waste'. Five key issues have been identified between the county council and the districts for successful joint working - developing trust, legal issues associated with partnerships, governance arrangements, financial models and financing methods and change management as new structures are put in place.

Engaging local people and the voluntary and community sector

Local partners and partnerships are already working (and are in some cases required) to engage local people and the voluntary and community sector (VCS) in their strategies and activities. LAAs require a statement of the involvement of the VCS in the design and delivery of the agreement, and therefore provide a basis for, strengthening this partnership working. Engagement with local people and the voluntary and community sector can benefit the quality of public services themselves, as well as wider society through:

- The involvement of local people and the voluntary and community service design, commissioning and evaluation;
- The way in which a public service is delivered – for example, by increasing community participation, building/utilising the skills and experience of volunteers/VCS and by strengthening trust within the community; and
- Capitalising on how the VCS puts people at the heart of what it does and engages the local community.

In terms of LAAs, engagement with local people and VCS organisations might mean information sharing, consultation, capacity building, joint decision-making and/or delivery; and the LAA process and outcomes should effectively help facilitate a move from models of consultation to forms of local and joint decision-making and service delivery.

Barnsley's [Testbed Learning Community](#) provides a good example of this. Local residents, through area partnerships, play a key role in managing the Community Learning Net and its neighbourhood managers which are central to the Testbed. The Net, which runs local learning centres and a web-based directory of learning opportunities, forms one part of an emerging integrated learning and skills service with Children's Centres, Primary and Secondary Schools.

In the first round of pilots, it was clear that the timetable was constraining and led to a lack of real community engagement, particularly via the VCS, in some areas. LAAs can prevent tensions from arising by involving local people and VCS organisations right at the outset, to ensure the right organisations and people are involved in the development of the LAA outcomes.

Making use of the expertise and practice that exists that exists in local partners/partnerships is a good example of how this can be done.

In **Suffolk** there is a county-level LAA in which the local outcomes and priorities for the Community Strategy have been developed through consultation and engagement with the 3,500 strong *Suffolk Speaks* Citizens Panel, backed up by qualitative responses via focus groups. These priorities then fed into the LAA and LPSA outcomes.

In **Bradford** the VCS Chair of the Building Communities Partnership and the Community Empowerment Network (CEN) were actively involved in the

development of all three blocks and the final LAA document. The Chief Executive of Kighley CVS was a member of the negotiating team and led the development of the SSC block. During the development of the LAA partners responded positively to the Sector's request for more time and support to develop detailed milestones and targets around VCS involvement in decision-making and measuring the strength and contribution of the VCS and ensured the VCS

- had representation on the district negotiating team and all key LAA partnership events and meetings;
- was commissioned to arrange workshops on each of the three themes to consider ways of enhancing the role of the VCS in decision making and service delivery;

LAA's can also help prevent tensions by promoting community cohesion. In seeking to engage individuals and the VCS and other LAA agencies, it is important to reflect the diversity and cohesion of groups living in the area. The VCS can be valuable partners in this aim and they often have experience of customer feedback and consultation. Consider how you can take active steps to involve local people and voluntary and community groups which represent different communities of interest based on gender, race, sexuality, disability, faith and age.

Voluntary and community organisations deliver outcomes that cut across the four LAA blocks. The Government's ambition is to extend the role the VCS plays in service delivery, because the sector can often deliver more efficient, equitable and personalised services. In order to increase community engagement and the involvement of the VCS in service design, LAA's should promote improved understanding, better organisational co-ordination and the sharing of best practice between local practitioners and voluntary and community organisations.

Often the VCS have good links with specific community interest groups. They may already be delivering a wide range of public services locally in many areas, from health and social care, advocacy and campaigning, education and learning, housing, employment and welfare, to community support and safety. LAA's can help increase the number of volunteers working in these areas (or as public sector volunteers) or may look to contract the VCS to deliver a service they are currently providing informally. In areas with ethnic minority populations this can be extremely important for ensuring that services are tailored to meet the diverse needs of different ethnic minority groups.

An example of this is The **North East's BECON** (Black and Ethnic minority Community Organisations Network), which is working with BME groups to disseminate information about LAA's and to use the experience gained from the pilots to discuss how BME groups can benefit and inform implementation of the next LAA's. BECON is an umbrella group supporting BME VCS groups in the North East.

Capacity Building

The longer-term success of individual's and VCS involvement in LAAs depends to a large extent on investment in capacity building. This investment should support better engagement by individuals and the VCS in the design of the LAA, and subsequently in the delivery of the action plan and the wider community strategy. Initial investment can trigger a 'virtuous circle' as the increasing skills and experience of local people and the VCS translate into more sustainable outcomes for local communities. The Government's framework for community capacity building [Firm Foundations](#). - **Firm Foundations (Home Office 2004): p34 for further community development outcomes based on a capacity building approach) identified** four main outcomes of capacity building, which are relevant across all LAA blocks:

- social capital and cohesion
- community self-help
- participatory governance
- sustainable involvement

You will want to consider how to invest appropriately in capacity building from the resources available through the LAA since this can be a critical factor in sustaining success and integrating the LAA with other community strategies. ChangeUp can help you achieve this. It is a funding stream which is now being aligned in the LAA and will be managed by Capacity Builder from April 2006. The Home Office will be giving more information about this shortly but in the meantime the Government Office can advise on how ChangeUp can support the investment in helping partners deliver their priorities.

Good examples of this include

Barnsley includes the Barnsley Children's Fund Partnership which is led by Barnados and is developing innovative services for 5-13 year olds, 75% of which are delivered by the voluntary sector.

A novel project in **Dorset's** LAA, led by Big Lottery, to develop the capacity of local groups and community organisations to engage with the LAA and Big Lottery Fund. Funding is also being directed within the LAA to extending the community planning process to districts, parishes and neighbourhoods.

Sheffield's LAA aims to grow the ability of the VCS and faith sectors to contribute by asset based development using community buildings.

Engaging the private sector

The private sector has a lot to offer LSPs and other partnerships and they can contribute across the LAA blocks. LAAs are a good opportunity for businesses to get more involved in their community. The new fourth block brings in issues

Capacity Builder is a Community website providing an easy access support service to those working in the community and voluntary sector.

around growth and enterprise that will particularly benefit from private sector involvement. ODPM has developed a business engagement toolkit which you may find helpful when considering ways of engaging businesses.

Section 2: Developing the LAA

The need for strong project management

Timescales were tight for the first LAAs and, inevitably, partners in further waves will feel equally pressed. Strong project management skills are vital: most LAAs set up some kind of "engine room" to drive progress. The Government Office for the South West have identified the following key tips for coping with the timetable, and each Government Office will want to agree a timetable with you at the outset of negotiations.

Government Office for the South West

Based on the experience we went through, we will be making sure there is a project plan agreed at the outset. This can be split into 3 phases - preparation, development and refinement and include:

- Early gathering (and analysing) of evidence across agencies to inform discussion about local priorities.
- A stakeholder event to warm up partners, raise awareness and identify preliminary list of outcomes.
- Refinement of outcomes and development of supporting activities to be delivered.
- Identification of freedoms and flexibilities, and funding streams necessary to support outcomes.
- Development of indicators and targets (inc those identified for the reward element).
- Draft LAA for consultation with Government, officials and partners.
- Clearance of F&F, funding.
- Clearance of targets/performance (including those identified for the reward element).
- Redrafting (this is inevitable).
- Keeping partners involved throughout the process.

We will want to establish clear milestones for each of these stages and to be on course for sign-off, aim to have targets and indicators agreed by the end of December.

Establishing the outcomes framework

A number of the first round LAAs have commented that they started “in the wrong place” – with the identification of funding streams, rather than the identification of what the LAA was trying to achieve - its outcomes. A clear outcomes framework is at the core of the LAA. The outcomes framework in the LAA guidance provides a menu of outcomes and indicators for areas. Some outcomes and indicators are mandatory. The Government will be looking for evidence that partners have a clear analytical base for the outcomes, and that there are baselines and milestones against which to measure progress on achieving targets.

Most partnerships will concede they left this targetry until quite late in the process. By starting with outcomes, LAA partners can begin to answer key questions like “What is it we want to do? Where could we get improved results faster? What do we need to take account of in planning for this?” It is also easier to see where there might be cross-cutting outcomes – interventions and services that straddle and join up the blocks – if funding streams are the means rather than the end.

A good example of how this was done was **Wolverhampton**. The partnership agreed to start with outcomes and debated these at a partnership event which had already been arranged to consider priorities for their review of the Community Strategy. The outcomes were then developed within relevant 'thematic' partnerships. Priorities for neighbourhood renewal already existed and the opportunity provided by the LAA was taken to embed these further in each of the three strands.

Stockton established a clear line between funding streams and outcomes; the partnership found this easier by using the outcomes identified in their LPSAll proposals. The LPSAll outcomes were then incorporated into the LAA.

Using evidence to establish priorities

The Audit Commission will launch a new ‘one stop shop’ website in July 2005 which will bring together different performance information relevant to a particular local area. This will go beyond the use of indicators and inspection judgements, or focus on only one particular agency, to look at all the services in a local area.

The Audit Commission will also launch a revised set of ‘quality of life’ indicators – a headline set of indicators which will enable the monitoring of the long-term strategies of councils and LSPs for improving quality of life in their local area with their partners from the public, private and voluntary sectors.

The area profiles ‘one stop shop’ website and the quality of life indicators will allow the partnerships and GO a shared understanding of the picture of the local area and a clearer focus on the issues that most need improving locally.

The Neighbourhood Renewal Unit has also developed a range of tools to help LSPs use evidence to establish local priorities on a range of key floor target areas.

The section on Neighbourhood Renewal is therefore worth a read, even if you are not an NRF area.

The **Barnsley** LAA has a succinct statistical analysis of what partners see as worrying trends in relation to children and young people (including newer problems such as significant numbers of under 16s attending A&E for severe alcohol intoxication). Traditional health and social care responses to the needs of young people in the area are not seen as having worked. The LAA therefore includes programmes designed to be more 'transformational' including a network of 16 integrated children's centres in the 17 wards.

Deciding which funding streams to include

In the first round a lot of pilots started off by considering which funding streams they wanted to include. To make the process easier this time the LAA guidance includes an annex of funding streams which you can select from to negotiate into the LAA. Experience from the first round suggests that it is easier to think about funding streams after you have established what it is you want to achieve in the LAA.

If a funding stream you would like to include is not in the LAA guidance, you can develop a business case for its consideration.

For example, **Derbyshire**, **Sheffield** and **Suffolk** all put forward successful cases for the inclusion of Child and Adult Mental Health (CAMHS) funding which were accepted by DfES/DH.

A number of areas including **Sheffield** and **Bradford** opened up positive discussions with ODPM around Supporting People.

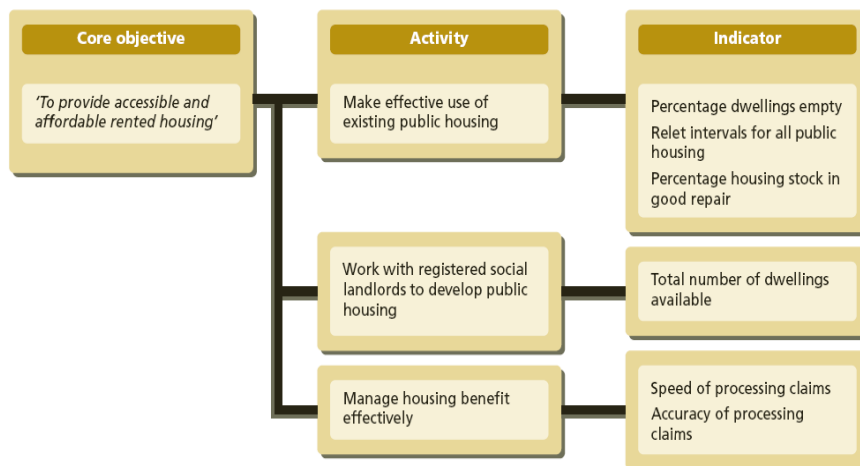
Setting outcomes and targets and identifying indicators

The mandatory outcomes, which need to be included in the LAA, are contained in the outcomes framework in the LAA Guidance. These are high-level outcomes and you can use these as the starting point for developing your outcomes framework. However you can add further outcomes to reflect local or cross-cutting issues.

Targets should be real and evidence based. You may need to develop 'sub-outcomes' or proxies setting out what you are going to do to achieve the outcome, particularly for outcomes which may take years to show improvement.

The following example illustrates this:

(Taken from Audit Commission publication 'Aiming to Improve')



There is a menu of indicators in the LAA Guidance which can be used to measure achievement against the outcome. When considering targets and indicators, the publication *Choosing the Right Fabric* developed by HM Treasury, Cabinet Office, NAO, the Audit Commission and the Office of National Statistics, provides comprehensive information on target setting and a good checklist of the sorts of things to take into account. The following questions summarise this:

- are the measures relevant?
- do they avoid perverse incentives?
- are the activities being measured capable of being influenced by actions which can be attributed to the partnership, and is it clear about where accountability lies?
- is the measure easy to understand and can data be collected consistently?
- can the data be produced regularly enough to track progress, and quickly enough for them to be useful?
- is the measure reliable enough for its intended use, and responsive to change?
- is the measure comparable with past periods or similar programmes elsewhere?
- can the processes which produce the measure be verified.

You will also want to think about selecting indicators and measuring and collecting data which gives you information at the right geographical level, particularly in relation to outcomes and targets which are about narrowing the gap between neighbourhoods. A good example of this is **Sheffield**. They have developed a bespoke system that measures indicators at a neighbourhood level and will be using this to report against targets that indicate whether they are narrowing the gap.

What an LAA looks like

There is a proforma in the guidance note setting out the information which needs to be included in the LAA. The first LAAs spent a great deal of time on context and re-iterating information from the Community Strategy and were subsequently lengthy documents. To avoid this, you could consider combining the Community Strategy and LAA, or cross-referencing to them which was the approach taken by Gateshead and Stockton. The LAA outcomes are the essence of the LAA and it is this, along with the freedoms and flexibilities and pooling of funding to support the outcomes which is being agreed with Ministers. At the end of the day, the presentation of the document will be whatever makes sense locally but the aim should be brevity.

Section 3: Negotiations

The following sections provide information to help you develop your outcomes framework, answer some common questions and provide some examples of good practice.

It is important to see the negotiations as a dialogue for problem solving between partners, and between Government and localities. The process is not the same as that used for the negotiation of Local Public Service Agreements because not all the outcomes and indicators have a reward element. The approach is about what is needed to improve places and deliver better, more joined-up public services.

Children and Young People's Block

The core of the Children and Young People's Block is the "[Every Child Matters: Change for Children](#)" framework. This supports the Government's aim for every child, whatever their background or their circumstances, to have the support they need to:

- Be healthy
- Stay safe
- Enjoy and achieve through learning
- Make a positive contribution to society
- Achieve economic well-being

The block was seen as an opportunity for pilots to build on work that had already begun locally to integrate children's services. The work of pathfinder and pilot children's trusts will be a major influence in the shape of this block as can be seen, for example, in the **Gateshead, Brighton and Hove, Devon, Greenwich** and **Hammersmith and Fulham** LAAs. Elimination of child poverty, through a more holistic approach to employment, childcare, education, housing and homelessness is an important feature of these LAAs.

Teenagers and young people are identified as a key group where new forms of support and selective intervention are needed and there are good examples of

different approaches in the **Coventry, Derbyshire, Doncaster, Bradford and Barnsley** LAAs.

Pilots also used the block to bring local partners together in a discussion about shared outcomes and joint working to achieve those outcomes. This worked best where local partners (i.e. Children's Fund, Connexions, Teenage Pregnancy and Sure Start partnerships) were involved from an early stage in LAA discussions.

Problem solving

How does the Children and Young People block fit with the new statutory Children and Young People's Plan (CYPP)? The LAA and CYPP should inform each other. The LAA will contain the priorities for children and young people and associated outcomes and targets to be achieved. The CYPP will be a single, strategic, overarching plan for all local services for children and young people, supporting more integrated and effective services to secure the outcomes for children and young people set out in *Every Child Matters: Change for Children*. It will contain clear targets and priorities identifying the actions and activities needed to meet them. .

Should the Children and Young People block outcomes reflect all the priorities in the area or focus on those related to the funding streams being pooled? Ideally, the LAA should reflect all the priorities for children and young people in the area. In this way, the LAA, the CYPP and the annual priorities conversation will all be focussed on the same priorities and outcomes.

Which block should cross-cutting targets (e.g. reducing child obesity, youth crime etc.) appear in? Whichever is the best fit! Local authorities and their partners might find it helpful to cross reference to other blocks that contribute to the outcome/target.

How do the funding streams fit with Government's plans to rationalise funding from 2006-07? LAAs are a good way of trialling longer term plans for funding rationalisation. But the Government is also committed to rationalising funding for all local authorities under children's trust. DfES will keep pilots and GOs informed about proposals for 2006-07.

Good examples of targets/innovation in this block

Stockton has developed a focused contribution on behaviour and attendance bringing together education, youth, health and social care and community safety services.

Greenwich has allocated NRF funding, in addition to GLA and DfES funding streams to set up a childcare support fund.

Knowlsey is pooling budgets around children and young people with complex needs and integrating services in its Child Development Centre and using previously developed information-sharing protocols in joint assessment.

Doncaster has a project to provide better support for parents of teenage children.

Bradford has relatively high levels of young men under-achieving in GCSE/A level, and forming the primary group of drug misusers and offenders. A multi-agency, cross sector Young People's Support Unit, is trying to enable young men to become an asset to the area, through joined up work on ant-social behaviour, drug use, skills levels, health and employability.

Brighton and Hove is using their LAA to initiate a holistic approach to delivering a broad sexual health strategy which includes teenage pregnancy.

Devon is focusing on improving children and young people's mental and physical health e.g. healthier community projects in schools.

Wigan is piloting a personalised programme to raise the aspirations of looked after children at the critical transition between primary and secondary schools.

Safer and Stronger Communities Block

Importing the Safer and Stronger Communities Fund Agreement

The core of the SSC block will be your Safer and Stronger Communities Fund (SSCF) agreement as all the SSCF funding streams are included in the LAA. Inevitably, you will need to review the arrangements you have made for the SSCF, to work within the wider LAA framework and to take account of the views of partners who were not involved in the SSCF.

The transitional arrangements on some of the SSCF funding have been removed, giving you the opportunity to be more flexible about how the spending is used. Although you may have already been identifying spending priorities, being an LAA potentially brings further benefits in terms of funding streams and for joining-up on a wider range of outcomes. You may want to consider the following points:

- Whether there are any further funding streams to be included in the block, or if there have been any changes to SSCF funding that may impact the LAA (this may be the case if you are an NRF area, or have received funding to support deprived neighbourhoods)
- Are there any shifts in the priorities identified in SSCF negotiations when considered in the context of the wider LAA?

- Linkages with other blocks – do any of the neighbourhood service improvement or community engagement targets sit more comfortably in the other blocks?
- Does it make more sense to apply the community engagement outcome as a cross-cutting theme? What is the best means of embedding engagement in the LAA?

Problem solvers

Can we choose not to include an SSCF funding stream? The introduction of SSCF was based on a new arrangement for the individual funding streams included. You will need to include all the outcomes in SSCF which are relevant to the funding you have received and develop targets and indicators accordingly.

The crime targets are all set at district level – how can these be incorporated in a county-wide agreement? Crime targets have been negotiated at district level with each Crime and Disorder Reduction Partnership. These targets need to be reflected in the LAA agreements and consideration will need to be given to how they translate to a county wide agreement. In **Suffolk, Dorset** and **Devon** LAAs the overall County crime target was based on the individual district crime targets.

What about other plans and targets that have been agreed for the local area, e.g. policing targets? As stated in the guidance, LAAs need to take account of these, particularly those which involve statutory obligations for partners/partnerships.

Do we have to include all neighbourhood management pathfinder targets and spending in this block? No. Where partners agree it makes more sense for a target to be included in another block, it can be, although the apportioning of funding will need to be negotiated

Does the community engagement outcome apply only to crime and grime issues? No – the community engagement outcome applies to all the blocks.

Good examples of targets/innovation in this block

In the **Hammersmith and Fulham** LAA, the Borough Council has agreed to match fund (to the tune of £1 million a year for 2 years) a block of new resource from the Metropolitan Police, to roll out the neighbourhood policing model across most of the borough. This builds on pooled Home Office budgets in the LPSA1 for the area, and a Home Office Local Delivery Project.

In **Doncaster** where 47% of residents believe that anti-social behaviour is a serious nuisance affecting quality of life they are focussing on volume crime in

local hotspots, and expanding the Safer Neighbourhood Service as well bringing together specialist units such as the ASBO team and DAT.

The **Sheffield** LAA incorporates an agreement between council and Police to develop multi-agency neighbourhood policing teams, alongside a Successful Neighbourhood Fund which pools ODPM and Home Office budgets.

Stockton took a broad approach to the block on the basis that communities are safer and stronger if there are good opportunities for regeneration and jobs, improved housing and a cleaner and greener local environment.

Gateshead have identified the LAA will enable a sharper focus on specific issues of concern to local communities at a neighbourhood level.

Derbyshire has put in place county wide work with Youth Offending Teams, as part of a prolific and other priority offender strategy.

Telford and Wrekin's LAA includes proposals for 'locality programmes' and a locality management infrastructure' designed to enable small areas to identify very localised priorities and for these to be reflected in more flexible funding and resource allocation from the main local partners.

Knowsley is looking at neighbourhood agreements.

Healthier Communities and Older People

The feedback from the first LAAs was that this was a challenging block. There was largely good coverage of targets for healthier communities and practical action on [Choosing Health](#) which sets out the Government's proposed new roles for PCTs and local authorities, and local partnership bodies, in achieving a more integrated response to public health issues. Choosing Health aims to:

- Increase quality of life and life expectancy
- Reduce inequalities in health
- Improve the chances people have to engage in healthy choices
- Encourage healthy lifestyles

DH is currently developing outcome measures and indicators which will be available shortly.

You may find it helpful to utilise the information available at the London Health Observatory (LHO). LHO has developed a basket of health indicators designed to support local action and priority setting to tackle health inequalities. Aimed at a wide audience, it includes indicators relating to areas such as employment, poverty, homelessness, education, crime, lifestyle and health measures (including preventive interventions).

The Health Poverty Index is a web-based visualisation tool designed to help local health communities, and their partners, to set local priorities and targets and to build these issues into their plans for improving health and tackling inequalities.

DWP are developing a guiding set of indicators that can be used as a tool by central government and local government partners to measure progress towards outcomes on the quality of life of older people. The Government's recently proposed Vision for Adult Social Care also offers a useful basis to consider key outcomes of relevance to older people who may require social care. There is also a Government Office Ageing Network which can be drawn upon to provide advice and guidance. The Government Office can provide information about this.

Problem solvers

Is this block mainly about services for older people?

This block does not only address health and issues of significance for older people. The health of the whole population is relevant to this block.

Where do we get health information?

Your local Primary Care Trust (PCT) will be a key partner in developing your LAA. PCTs, and particularly Directors of Public Health, will be informed of the health needs of your areas, and will be able to recommend priorities for health improvement locally. The Annual Director of Public Health Report will cover this information. The Regional Public Health Group for your area will be able to provide expert advice, and your Regional Public Health Observatory will be a source for health data. In addition, web based resources, such as the Public Health Observatories Basket of Indicators

How much information do we include in the healthier communities and older people block about our local strategies and plans to improve health and reduce health inequalities?

The LAA submission needs to communicate the broader strategic context and partnership work locally and needs to be coherent with national policy. However, try to avoid writing every strategy into the LAA submission, instead focusing on areas which accord with the local area health provide. Ensure the LAA submission indicates clearly what the proposed interventions are and how these will make a difference, address local gaps, intensify pace and tackle persistent health disparities for priority groups and areas.

Can we include outcomes where we don't yet have the baseline data?

The LAA provides the opportunity to develop the necessary baseline data for areas where this is not available at local level. Physical activity is an example of this situation, where local surveys could be used to establish baseline activity.

Local Delivery Plan Targets have already been agreed for Primary Care Trusts.

Can we agree additional targets which do not appear in the Local Delivery Plan?

Primary Care Trusts can decide to enter into targets within the Local Area Agreement, which are additional to their Local Delivery Plan. These will not be

included in their LDP but can be either LAA targets or 'stretch' targets within LAAs.

Who will performance manage Primary Care Trusts?

Strategic Health Authorities will performance manage the Primary Care Trusts' input to the LAA. Strategic Health Authorities will not performance manage all partners contributing to health targets in LAAs. This is the role of the Government Offices.

What if we have a County Council LAA and many Primary Care Trusts?

There may be many PCTs involved in a County Council LAA. In these circumstances, it is important that there is clear NHS leadership locally, and that there are clear identifications of roles with partners. Targets can be set to include as many PCTs as opt to become involved in the target.

Is there a framework for this block?

There is not a specific framework for this block. In the last round of LAAs, Derby was innovative in using the same framework for Every Child Matters in the context of HCOP, which was found to be useful in highlighting cross cutting issues as well as issues relevant to specific community groups.

Good examples of targets/innovation in this block

In **Wolverhampton** a local Framework Partnership Agreement is being developed between the City Council and the City PCT to support action to deliver jointly agreed outcomes and facilitate joint commissioning - effectively a delivery tool for the LAA. The Agreement uses flexibilities set out in the Health Act 1999. Substantial 'mainstream' resources are focussed on securing LAA outcomes through this mechanism.

Barnsley's LAA is built around its 'Fit for the Future' programme, and proposes to test out a range of aggressive tobacco control measures

Kent brought its *Supporting Independence Programme* into the LAA, which it has developed, in LPSA1. This includes outcomes relating to housing and employment, as well as health and social care. The programme is based on commitment by all partners to integrate planning, and to delivering lasting outcomes that will prove sustainable. There are also supporting specific measures to reduce demand on the secondary healthcare sector, and attendance at A&E in particular.

Suffolk has used data from the Suffolk Observatory which it intends to develop into a wide set of outcomes for health and adults along the lines of that used for *Every Child Matters*.

Stockton has a particular focus on the 20% of the population of the borough who are of retirement age or over.

Dorset has developed a multi-year initiative on improved health in the workplace.

Barnsley has developed targets to promote the independence of older people.

Bradford is developing a more comprehensive and co-ordinated range of services for older people.

Brighton & Hove is improving health for older people through the prevention and early identification of key causes of morbidity: infectious diseases, falls, chronic obstructive pulmonary disease and heart failure. Also improving housing for older people.

Derby is increasing volunteering around older people.

Devon is empowering older citizens to make a positive contribution to their community and providing easier access for older people to the services and facilities the need to enjoy a good quality of life.

Knowsley is improving the independence of adults and older people through improving access to all health and council services, delivering flexible care with excellent access to effective services. They are also providing better information and advice and informed and improved choice for patients, service users and carers in options for care and accommodation, ensuring social inclusion is firmly on the agenda and reinforcing the shift towards patients as partners in care and mutuality in care planning.

Wigan is building the capacity of the voluntary and community sector through the LAA by creating an interactive volunteer market place for older people and Community Champions to promote volunteering and older people's participation in physical activities.

Economic Development and enterprise

There were a number of areas which felt that economic development was a missing fourth block within the LAA and have set themselves some objectives based on taking forward local growth strategies. Other areas covered employment, skills and growth in other parts of the LAA e.g. the SSC block.

A good starting point is the Regional Economic Strategy and sub-regional partnership economic development strategies. The discussions that led to their development will have involved the Local Authority. This provides the context of the regional and sub-regional economic outcomes and enables consideration of the contribution of the local area to:

- Job creation
- Skills development
- Business creation and growth
- Land-use planning

For the LAAs you can examine how best to use the existing services delivered by/through partners such as the RDA in order to tackle market failures and working within the regional framework for business support.

Jobcentre Plus have a key interest in improving employment outcomes, particularly for people from disadvantaged groups and areas, and a shared agenda of reducing deprivation, improving economic activity and promoting diversity. Jobcentreplus will be a good source of advice on measures locally to help the hardest to reach into work including: lone parents, people over 50 years of age, sick and disabled people, black and ethnic minorities, people lacking qualifications, ex-offenders, drug and alcohol misusers, and people who are homeless. They also share a commitment to reduce poverty by ensuring that those who cannot work receive their correct benefit entitlement.

The Regional Skills Partnerships have an important role as they bring together the key organisations responsible at regional level for planning and funding public services for economic development and regeneration, skills, training, labour markets and business support. The primary organisations are RDAs, the LSC, Jobcentre Plus, the Business Links Network and the Skills for Business network.

Although this is a new block, there are examples from the first LAAs of outcomes around these themes.

Derby has included Regional Development Agency funding and Invest to Save Budget, following discussions with the East Midlands Development Agency the Derbyshire and Derby Economic Partnership, Derby City Council, and Derby City Partnership.

Hammersmith and Fulham used the development of their LPSA and LAA to focus on economic well-being, identifying a range of targeted measures on employment, support for vulnerable groups and housing.

Neighbourhood Renewal

The introduction of performance management for NRF LSPs has enabled partners to measure and monitor performance and use this information to challenge partners. The Audit Commission has found evidence of some good systems and arrangements which are helping partners to focus on delivery. LAAs are an opportunity to build on this good practice.

LAAs are a good opportunity to strengthen the delivery of the National Strategy for Neighbourhood Renewal, particularly as they now encompass the new fourth block and can address transport, housing and environment considerations. Areas receive a variety of funding streams which support neighbourhood renewal including the Neighbourhood Renewal Fund (NRF). There are six mandatory outcomes in the guidance note for areas which receive NRF. They are based on the six key themes:

- Housing
- Health
- Education
- Employment
- Crime
- Liveability

These fit within the 4 blocks although interventions may also cut across them, for example dealing with homelessness, establishing neighbourhood management approaches to service delivery. If you are in an area which does not receive neighbourhood renewal fund you may receive different funding streams which are designed to tackle social exclusion or turn around deprived neighbourhoods. You may therefore want to consider including neighbourhood renewal in your LAA.

In NRF areas you will have already identified priority neighbourhoods, groups and outcomes and developed priorities for improvement from the performance management reviews. The LAA negotiating process will allow you to reflect on how the targets you have developed through this work can be brought into the LAA. Some of the first LAAs found it difficult to reflect the neighbourhood dimension in the wider LAA outcome framework. There are examples from the first LAAs which did reflect targets for neighbourhoods showing clearly what is to be achieved in pockets of deprivation.

In developing targets, you might want to ask the following questions:

- What are the things the LSP still has to do to narrow the gap that are proving the most difficult?
- Why are they proving difficult?
- What barriers are there which could be resolved if you negotiate some freedoms and flexibilities?
- What would this do for service redesign and delivery?
- How can you assure NRU that granting these freedoms and flexibilities will deliver outcomes and targets?

Further Information to help establish the evidence base and targets

The Office for National Statistics has a new Internet service **The Neighbourhoods Statistics Service which aims to provide the information needs for the National Strategy for Neighbourhood Renewal**. It is a joint initiative involving Central Government departments, the devolved administrations, local government and the wider public services, for the benefit of all these bodies and for the community more generally. It promises to transform the availability of statistics and other information for thousands of areas across the country.

The **Supporting Evidence for Local Delivery (SELD)** pilots are operational from April 2005 and will run for 12 months in four English regions - North East, North West, West Midlands and South West. The overall aim of the project is to

improve the delivery of neighbourhood renewal by enhancing the quality and use of evidence throughout the neighbourhood renewal process. There are several interlinked activities, which the regional pilots will provide:

- Responsive advice
- Bespoke advice and analytical assignments
- Disseminating Neighbourhood Renewal evidence
- Contributing to Neighbourhood Renewal evidence related networks in the regions
- Linking the local perspective to Research and Development and Skills and Knowledge.

Read more about the [pilots](#) and follow the links to SELD.

[Floor Targets Interactive \(FTI\)](#) is a web-based system for monitoring progress towards Floor Targets. FTI enables users to examine performance at the national, regional and local levels. FTI allows users to interrogate the data to produce a range of analyses and illustrative maps.

Good examples of neighbourhood renewal targets

Sheffield developed an approach allowing it to measure performance on services in the worst achieving neighbourhood with the best.

Wolverhampton established district wide targets and specific targets for its priority neighbourhoods

Coventry has a project to concentrate on wards with the highest rates of young people categorized as NEETS (Not in employment, education or employment), with targets to reduce the gap as compared with other wards, aligning and pooling in this process all funding streams relevant to youth.

Equalities and Diversity

There were some examples from the first LAAs of how to successfully integrate equality and diversity objectives into mainstream outcomes. **Devon** and **Coventry** have particularly impressive LAAs which can provide pointers on demonstrating clearly how vision, service delivery and action plans unite to address inequalities in their particular areas. Specific examples of diversity issues are:

- Bradford included targets for mainstreaming low levels of community tension, improving perceptions of community cohesion, increasing democratic participation, and measures of representation of diverse communities and the VCS on public decision-making bodies.

- **Coventry** recognises disparities on race lines may exist and there are similar indicators in **Wolverhampton, Wigan** and **Suffolk** LAAs
- Positive equality initiatives are evident in **Barnsley** LAA through its equality action plan and impact assessment process while **Telford and Wrekin** is setting up a local Commission for Equality and Human Rights
- **Dorset** LAA proposes to improve arrangements to appropriately accommodate Travellers and Gypsies within existing planning laws - this group is rarely mentioned in other LAAs
- Some LAAs have outcomes related to increasing the independence of disabled people and helping more disabled people back into work

There will be other issues which were not covered in the first LAAs but may be of relevance to your area include looking at health inequalities which are race-related, e.g. in some ethnic minority communities there is significantly less take up of ante-natal care, targets in relation to satisfaction levels around delivery of services, community cohesion and safety can all be analysed in relation to race, gender and disability.

You may find the [ODPM Ethnicity Monitoring Guidance](#) helpful - this provides practical advice on monitoring benefits and monitoring involvement. Similar approaches can be taken when considering how delivery on targets reflects performance of different communities of interest.

Cross-cutting outcomes and linkages between blocks

The results of the evaluation were that most people found the blocks a useful starting point for developing the LAA but struggled to fit in some cross-cutting themes which were priorities in the Community Strategy/Local Neighbourhood Renewal Strategy. Everyone agrees that the blocks should not create a new set of silos and themes will inevitably cut across all of the Blocks. For example:

- children and young people are also a focus of the healthier communities and will benefit from a strong local economy
- older people will be beneficiaries of improved safety
- tackling drug and alcohol abuse is critical to reducing crime and improving health
- communities fragment when people are not engaged in making decisions about what happens in the place they live
- neighbourhood renewal and social exclusion cut across all of the blocks
- tackling climate change and protecting the environment can go hand in hand with improving local business competitiveness and local public health

Don't get hung up about discussing whether an outcome or target is better suited to one block or another. Think about what it is you want to achieve, where there may be overlaps and duplication of resources and where it makes sense locally to fit the targets. It is more important that there is a proper evidence base and clear accountability for the delivery of the targets.

Further practical guidance on incorporating sustainable development into LAAs has been prepared for local authorities, LSPs and Government Offices in order to help develop LAA outcomes which take a joined-up approach to social, economic and environmental goals. Helpful materials, examples and background information is available via the [ODPM LAA toolkit](#) website.

There are examples in LAAs of partners looking for different approaches to existing issues across the blocks.

Derbyshire's plans for workforce remodelling to achieve better integration of health and social care services for children and for older people, including work to standardise conditions of service across different professions.

Hammersmith and Fulham working with the Home Office on a case management approach to victims of crime, witnesses, resettlement of offenders, and a multi-faceted Borough Council/Immigration and Nationality Department team to explore casework issues on complex asylum cases.

Suffolk set a target of ensuring everyone had access to green spaces. Green spaces can contribute to reducing obesity, increasing exercise and improving mental health; links to lifelong learning (access to areas where all ages can observe our natural environment), economic prosperity and active citizenship (volunteering on green spaces).

Devon included an outcome on increasing the health of Devon's adult population through healthy eating. This was based on increasing the public sector's adherence to nutritional standards and increasing the percentage of food produced and procured locally.

Sheffield is planning to develop its LAA further to cover cross-cutting themes of homelessness and domestic violence.

Bradford has a cross-cutting theme that underpins the whole of its LAA which is about improving the life chances of young men.

Cultural Issues

Some good examples of joint working are emerging from the first round of LAA pilots. Culture and sport have the ability not only to contribute to the quality of life of local communities for their own sake, but also to impact on a wide range of cross-cutting local needs and priorities. **Dorset** and **Gateshead** are two such examples of where partnership working and a cross-cutting focus in these sectors are benefiting the LAAs and local area.

Gateshead's LAA has a fairly strong cultural flavour and celebrates the contribution which cultural activities and facilities make to the wider well-being of local communities. For example the Safer and Stronger Communities theme acknowledges that "through flagship cultural projects such as the Gateshead Quays development and the public art programme, the Gateshead Community Safety Partnership has assisted local people to find work, which has brought about significant economic and social regeneration". The authority wide commitment of Gateshead Council to embedding culture throughout their activities is evident in their Local Area Agreement. For example, there is a close correlation between Gateshead's Community Strategy and their LAA, and a key local priority of Gateshead's Community Strategy is for "Local people to participate in a rich array of culture and leisure opportunities including sport." Strong partnership working has been critical for success. Senior local authority cultural officers have been an integral part of the process and have been involved in working with other key partners to develop the agreement from the outset.

Similarly in **Dorset**, the LAA is effectively the action plan for the Community Strategy and it sets out the long-term vision for Dorset – by working together, to achieve "a living thriving Dorset where everyone has a part to play in creating a better quality of life". Culture and sport have contributed to a wide range of cross-cutting issues and themes including: Supporting Active and Inclusive Communities; Improving Opportunities for Learning and Culture; Improving Health; Community Safety and Well-being; and Sustaining a Prosperous and Productive Local Economy. Current projects include the extension of the Arts for Health scheme across a greater number of health and social care facilities in Dorset, an increase in private sector support for and appreciation of the contribution of culture to business and the community and, the development of a sustainable way to champion public art in the built environment, which is supported by the Dorset Strategic Partnership by September 2006. Both Dorset and Devon's Local Area Agreements have benefited greatly from strong partnership working in the South West between the Regional Cultural Consortium, NDPBs and other key cultural bodies, and also through links between the cultural sector and key strategic partners in other regional and local bodies – including the Local Authorities themselves. For example, Dorset County Council, six districts and boroughs, Arts Council England and other partners already work strategically to share funding and avoid duplication through the Dorset Arts Advisory Group. The Dorset Strategic Partnership (DSP) has also recently approved the formation of a Culture Group and this will be developed to manage cultural aspects of the LAA and other work.

Single Pot Issues and Opportunities

If you are a single pot area, you will need to think about the basis on which you want to develop the outcomes framework. You may find it helpful to establish themes around which to base your discussions, for example the Community Strategy themes, or establishing your own local cross-cutting themes. **Derby**, although not a single pot, is using the Every Child Matters outcome themes of Be healthy, Stay safe, Enjoy and achieve through learning, Make a positive contribution to society and Achieve economic well-being.

Section 4. Performance Reward Element of LAA

Introduction

This is the first year that local areas will be incorporating a performance reward element, formerly the Local Public Service Agreement, into the LAAs. A number of the ground rules which went with the LPSA system have changed and these are explained in the LAA guidance. In this new approach you will be asked to select the outcomes and targets in the LAA **where you intend to make a step change in performance**. The following may be helpful in selecting these outcomes and targets.

What are the priorities for improvement locally?

The Government Office will need to understand the rationale for your choice of outcomes for reward. The sorts of things you might want to take into account when considering priorities for improvement are:

- priorities which were highlighted in CPA as areas requiring improvement
- performance which is (well) below national averages/floor targets
- areas that local partners can justify as a focus for public funds
- the things that local people say they most want to see improved
- priorities drawn from the Community Strategy/Local Neighbourhood Renewal Strategy and NRF improvement plans and other partners plans and strategies
- an objective assessment of social, economic and environmental data showing the relative position of the area in comparison to others
- views of public, private and voluntary sector partners, performance locally on the central-local priorities,

In discussing your choice with the Government Office you also need to be clear about:

- what final result you want to achieve for local people;
- why this is seen as one of the most important priorities; and
- what evidence was used to make these judgements.

Don't be constrained by the 'blocks'. Although most high-level priorities will fall within them you can negotiate any reward priority which does not sit neatly in a single block.

Choosing indicators to demonstrate improvement against priority outcomes

When you have agreed the stretch priorities for the reward element of the LAA, you will move on to agree the indicators to be used and the level of performance to be achieved.

The LAA Guidance contains a menu of indicators from existing LAAs and LPSAs. In selecting indicators, you will want to ensure that they take into account local

circumstances. For example, in some areas improving educational outcomes might most appropriately be measured at age 11 (Key Stage 2), for another it might be at 16, another might consider improvement across the age range key.

You will be thinking about planning delivery, alongside developing the outcomes and the experience of previous LPSA negotiations shows that sometimes this can complicate thinking. Focus foremost upon final outcomes and what they will achieve and then move on to developing the means by which you are going to deliver the improvements.

The LAA guidance gives more information about what to do if you don't think the 'off the shelf' indicators are right for you.

Agreeing the level of performance to be achieved

The final stage for an agreement on rewards is agreeing the level of performance to be included in the target. This performance is expected to exceed what would otherwise have been expected at the same date, i.e. to involve stretching beyond existing targets which will have been included in the LAA. Reward is paid not for improvement on current performance (the baseline) but for the extent to which performance in the target period exceeds what would have been expected had there been no "stretch" target.

A range of factors are likely to be appropriate to assessing levels of future performance for the reward element of LAAs including:

- the "Without Reward" target is likely to be judged by reference to current performance, recent trends in the authority and amongst comparators, existing initiatives designed to impact performance etc.
- the "With Reward" target will reflect what extra can be achieved, including by using the pump-priming funding and other funding and the flexibilities provided by the LAA to re-engineer services.

In addition to ensuring that targets are stretched, Government Offices will be looking for evidence that the scale of the outcome proposed fits with the proposed level of reward. They need to justify to both Ministers and the Public Accounts Committee that the taxpayer is getting value for money from the reward grant. Therefore some outcomes, however hard to achieve are simply too small in scale to be worth a large reward. In the experience of LPSAs however, many targets exceeded this threshold many times over.

One final consideration is double counting. The general principle is that Central Government cannot reward the same achievement more than once.

Section 5: Freedoms and Flexibilities

Freedoms and flexibilities are part of the LAA negotiating process and may be needed in order to overcome potential obstacles to the delivery of LAA

outcomes and targets - in other words they are enabling measures. The ideal time to consider freedoms and flexibilities is alongside the development of outcomes and targets.

When you identify ways of overcoming barriers to delivery of outcomes and targets in the LAA, think about the evidence you have of how these will work in practice. The Government Office will want to probe this further and identify whether the flexibility already exists for the partners to change the way they are working, or whether there are any other ways of resolving the problem which can be agreed. If this is not possible the Government Office will help work up the business case for discussion with the relevant Government Department or Departments

A number of freedoms and flexibilities were successfully agreed with Departments during the initial pilot phase and these are reproduced below. In addition a number of freedoms and flexibilities remain under discussion. These include negotiations on

- Flexibility in delivery of New Deal Agreement with local partners on approaches to data analysis and information sharing on worklessness issues.
- Operating the range of services which make up a Children's Centre from more than one physical location.
- Including street crime wardens into corporate warden services.
- Easier access to rent/rates relief for new start businesses operating as social enterprises.

Click here for a summary of on-going discussions about [freedoms and flexibilities](#). There are also freedoms and flexibilities currently available based on CPA score listed here:

Performance Category			
Poor/Weak	Fair	Good	Excellent
Capital System Changes Charging for discretionary services Deregulation of consent regimes Discretion to change council tax discounts Powers to establish Business Improvement Districts Business Growth Incentive Schemes			
Reduction in revenue ring fencing to under 10% of total Government grant by end of Spending Review period			Removal of all revenue ring fencing (excluding grants passed to schools)
At least 60% of capital resources through the single pot in 2003/4, with up to two thirds by the end of the spending review period		Removal of all capital ring fencing (excluding grants passed to schools)	
Targeted inspection	Targeted and lighter touch inspection and audit proportionate to performance, with the best councils getting the biggest reductions on average		A 3 year "inspection holiday" from current service based inspection
75% reduction in number of plans overall			Removal of all service plan requirements beyond the Best Value Performance Plan and Community Strategy

More discretion over use of income from certain civil penalties	Complete freedom over use of income from certain civil penalties
	Power to trade
	Innovation Forum to agree additional flexibilities.

Requests for freedoms and flexibilities are sometimes turned down because there has been a poor track record on delivery, or there is insufficient evidence to show that the changes will improve performance or how and why the freedom and flexibility is necessary for the outcome to be achieved. It will be helpful to identify what is being done to improve delivery, e.g. have you developed any additional support, or developed a clear change management strategy to tackle the cause of under-performance that you could use to support your case.

The freedoms and flexibilities which were not agreed were those which fell into the category of either requiring a change in legislation or further funding, or cutting across national priorities. Examples of these include changes to the basis for local taxation, changes to the national benefits system and changes to the system for deploying asylum seekers. Government Offices will advise partners that requests such as these cannot be agreed and will work with partners to see if any alternative ways for resolving the problem can be found.

Derby with support from the **Government Office for the East Midlands (GOEM)** was able to resolve a number of barriers to delivering on their LAA. For example, the partnership was concerned that the timing of the annual monitoring review for neighbourhood renewal would cut across arrangements for implementing the LAA and felt it would be better to combine the review with the first six month LAA review. ODPM agreed that the neighbourhood renewal annual review could be completed as part of the LAA review in October 2005 as long as Derby's LAA monitoring framework meets the NRU's core requirements. This is to ensure continuing commitment to narrow the gap and to embed performance management within the partnership. This was acceptable to both ODPM and the partnership.

Section 6: Performance Framework

The LAA Guidance includes comprehensive information about performance management, including characteristics of good performance management. The

Government Office will be looking for evidence prior to sign-off that you have developed:

- a reporting chain to monitor progress against targets;
- arrangements for identifying when performance is off trajectory; and
- a locally agreed 'ladder of intervention' to correct underperformance.

Performance management in the local area

A good local performance management framework locally allows leading local decision-makers to get a better handle on the 'big picture' faced by the area, in terms of trends on crime, public health and quality of life, as well as allowing them to deploy support measures to correct under performance. However, it should also allow them to identify particular problem patches in the area and show that policies are reaching everyone satisfactorily - for example that the more rural areas are benefiting as well as the urban ones.

A number of the first pilots are investing time and effort in performance management as part of the implementation of their LAAs:

Telford and Wrekin are working with Government Office for the West Midlands on mapping existing performance management arrangements with a view to developing a unified single system for use by the partnership;

Coventry is seeking to join the new Combined Audit National pilot

Doncaster and **Sheffield** are working with Government Office for Yorkshire and the Humber on an integrated planning and performance system.

Dorset is linking up county and district performance management frameworks

Derby has a Performance Management Group in the partnership and has developed posts of Performance Management Co-ordinator and has started work on reducing duplication and double reporting of targets.

The **Improvement Network website** provides useful advice and guidance on partnership working. Its resources include case studies detailing how different partnerships have been established, how they have been governed and managed and how they have developed mechanisms for focusing on performance and improvement. (See [What have others done to improve partnerships?](#))

The joint Audit Commission / IDeA [Performance Management Measurement and Information](#) (PMMI) project as brought together a number of existing resources on performance management with new guidance and case studies based on research with local authorities. While these do not address performance management in partnerships specifically, the principles of good performance management set out in the project's [interim findings](#) will provide useful pointers for establishing effective performance management arrangements within local areas.

Sharing performance information

A number of areas have begun to develop local means of sharing performance information between partners and the government office in a coordinated way.

A good example is the **Wigan** system – which is on line and real time and all partners and Government Office have access to this. It operates efficiently by bringing together performance data from all sources and identifies where targets overlap and removes duplication at the local level.

Hammersmith and Fulham is looking at an IT platform for sharing information for LAAs.

Responding to under performance

Good practice across the public sector indicates that effective performance management entails more than simply the ability to monitor performance: supporting persistent underperformance is just as vital. In LAAs the emphasis is on the partnership actively managing its own underperformance.

This can be thought of as relying on four capabilities:

- The ability to *identify*, at frequent and regular intervals, whether performance is on or off track. Typically, using a 'trajectory' to assess this. A trajectory plots an expected performance curve between a baseline and a target that expires sometime in the future. Actual performance is then measured against this curve.
- Where performance is off-track for a sustained period (what counts as 'sustained' will differ from outcome to outcome), the ability to *diagnose* the drivers of underperformance.
- Based on this diagnosis, *formulating improvement plans*. Where the organisation requires it, the ability to support implementation of improvement plans is also necessary.
- As performance is recovered, the ability to *disengage* support from the organisation in question without losing the improvements made.

You will want to agree with the Government Office what you are intending to do to address under performance in the LAA. The following pointers are the things you will want to take into account when formulating this part of the LAA.

- *Identifying performance*
 - Who in the partnerships, and their constituent organisations, is going to be responsible for setting targets and constructing performance trajectories? How will these trajectories be made transparent to local partnerships, GOs and – through them -- to central government?
 - What will you do to identify underperformance against trajectories and at what point will it be necessary to discuss further with the Government

- Office. What constitutes sustained underperformance will differ across outcomes.
- Agree with the Government Office at what point it will raise sustained or particularly severe underperformance with central government departments.
- *Diagnosis*
 - Is there sufficient information to understand the drivers of underperformance?
 - What external expertise from either the private sector or from central government may be needed to help with diagnosis?
 - *Formulating improvement plans*
 - What arrangements will be put in place for developing improvement plans - what are the responsibilities of the partnership and constituent organisations?
 - How will you assess the results of improvements at sufficiently frequent intervals? What external expertise may be needed to do this?
 - *Disengaging*
 - What would the exit strategy be for where performance has returned to trajectory, or shows every indication of doing so, what frequency of monitoring will be needed to respond should performance once again dip.

Section 7: Sign off

You will need to build in some time to the negotiating process to allow for final checks. Partners need time to revisit and fill in gaps in the LAA, in particular around targetry in the outcome framework. A number of LAAs needed to be refined at the eleventh hour because Ministers were unable to sign-up to LAAs which did not include information about some targets and indicators. This is why its important to get to the outcomes framework early in the negotiating process to give yourself sufficient time to think about how you will measure progress on outcomes. If there are too many gaps you will risk not getting your agreement signed-off! However, you will find some room for flexibility where more work is needed to obtain further evidence to support the plausibility or ambition of intended targets for example. If this is the case, make this clear in the LAA and agree a date by which the gap will be filled.

In leaving time to quality assure the LAA you need to think about the timing of any clearance procedures needed by partners. For example, a number of the LAs in the first round went through the LA scrutiny process. The quality assurance may highlight the need for further work, or for changes in the LAA, so you need to think about how clearance procedures will take this into account.

Section 8. Further support and guidance

LAAs So Far

In October 2004, negotiations commenced for 21 Pilot Local Area Agreements (LAAs). The first [20 LAAs](#) have been successfully negotiated between the regional Government Offices and local areas. The Deputy Prime Minister signed 20 agreements on 22nd March 2005 and the final pilot will be completed during Summer 2005. Implementation of these first LAAs during 2005/06 will provide valuable knowledge and experience for continuing LAA policy development.

LAAs and Key Policy Linkages

Local Area Agreements (LAAs) have strong links to a range of related major policy and programme initiatives:

[Sustainable Communities: People, Places and Prosperity](#)

[Sustainable Communities: Homes for All](#)

[Vibrant Local leadership](#)

[Citizen Engagement and Public Services: Why Neighbourhoods Matter](#)

[Securing Better Outcomes: Developing a New Performance Framework](#)

[New Localism – Citizen Engagement, Neighbourhoods and Public Services: Evidence from Local Government](#)

[Community Cohesion](#)

[Sustainable Community Strategies](#)

[SSCF](#)

[Rural Pathfinders](#)

[Police White Paper](#)

[Health White Paper](#)

[Every Child Matters: Change for Children](#)

[Five Year Strategy for Children and Learners](#)

[Skills Strategy](#)

[The Criminal Justice System](#)

[CDRP mini-site](#)

[National Audit Office](#)

[Audit Commission](#)

[Research Development and Statistics](#)

[Updated National Drug Strategy](#)

[Opportunity Age: The Government's Strategy for Ageing](#)

[DWP Partnership Accord Toolkit](#)

[Rural Strategy 2004](#) - The Government set out its priorities for rural areas and communities in a Strategy published in July 2004 - economic and social regeneration, social justice for all, and enhancing the value of our countryside. These priorities will inform the Government's rural policy for the next three to five years and the modernised delivery arrangements that will drive progress forward.

[Rural definition](#) - A new rural definition was launched alongside the Rural Strategy in July 2004. It builds on the Government's existing 'land use' based definition for urban areas to include rural settlements of different sizes and kinds. Accompanying the definition 'look up' table is a user guide which provides advice on how the definition can be used to analyse rural statistics.

[Rural delivery pathfinders](#) - A commitment in the Rural Strategy 2004, the rural delivery pathfinders were launched in March 2005 and aim to look at innovative and practical ways of delivering more joined up services in rural areas at the local level. A prospectus, setting out more detail on the background to the pathfinders and their aims and proposed outcomes, is available on the website

[Leading the Good Life](#) - Guidance on Integrating Cultural and Community Strategies, a new publication from the DCMS reflects the belief that integration will strengthen the ability of local authorities and their partners to meet community needs. Available on the website

[The Voluntary and Community Sector](#)

[Working Together, Better Together](#) (2005), published by HM Treasury. This summarises the work of the 2004 VCS Review, which explored how understanding could be built, local partnerships strengthened, and progress made in particular service areas.

[The Compact on Relations Between Government and the Voluntary and Community Sector](#) (1998). This sets out a series of undertakings to which the Government and the voluntary and community sector both agree. Local Compacts aim to do this locally between the voluntary and community sector, councils and other local public sector bodies. The Home Office's [Strengthening Partnerships: Next Steps](#) for Compact builds on work put into developing the Compact and Local Compacts so far. [Local Compacts](#) provide the framework agreeing for working together at local level.

Think Smart, Think Voluntary Sector” (2004), published by Home Office and OGC. This guidance outlines the value voluntary and community organisations can bring to the deliver of services, the barriers they face in securing contracts and the practical thinks which can be done to help.

The Department for Education and Skills “ *Strategy for working with the voluntary and community sectors to deliver change for children and young people*” on all aspects of delivering the *Every Child Matters* outcomes.

[Active Citizenship Centre](#)

The Department of Health “ *Making partnership work for patients, carers and service users: A strategic agreement between the Department of Health, the NHS and the voluntary and community sector*”

Police

[Neighbourhood Policing your police; your community; our commitment](#) (2005), Home Office

NOMS

[Reducing Re-Offending: National Action Plan](#) (2004) Home Office

Tools/support for LSPs

Examples of the variety of support available include:

The **Sustainable Communities Academy** is currently devising training packages for LSPs some of which will be more generic and skills-based which we should be able to reference here

Action Learning sets on governance, two-tier issues etc available as part of the ODPM research programme – these are materials developed by LSPs across the country for use by LSPs

- Neighbourhood Renewal Advisors (NRAs) with expertise in a number of fields including performance management are available to NRF LSPs.
- [Renewal.net](#) – the on-line guide to what works in neighbourhood renewal
- [LSP Delivery Toolkit](#) – which gives advice on developing, delivering and reviewing your strategies.
- [Floor Target Action Plan Toolkit](#) - guidance on the production of evidence based plans to achieve outcomes

- [Delivery Skills Training Sessions](#) – including training on ways of adopting a strategic commissioning approach to funding.
- Government Office performance support programmes
- Regional Centres of Excellence
- Supporting Evidence for Local Delivery pilots
- [A briefing note on the new PSA 1 and floor targets](#)
- [Guidance on Performance Management](#) arrangements (such as how to use the traffic light assessment approach and the revised core requirements for 2005/06)
- [LSPs, NDCs and Neighbourhood Management Initiatives](#): note on how these can work together to improve delivery.
- A toolkit on economic regeneration and business engagement {will be on the web soon}