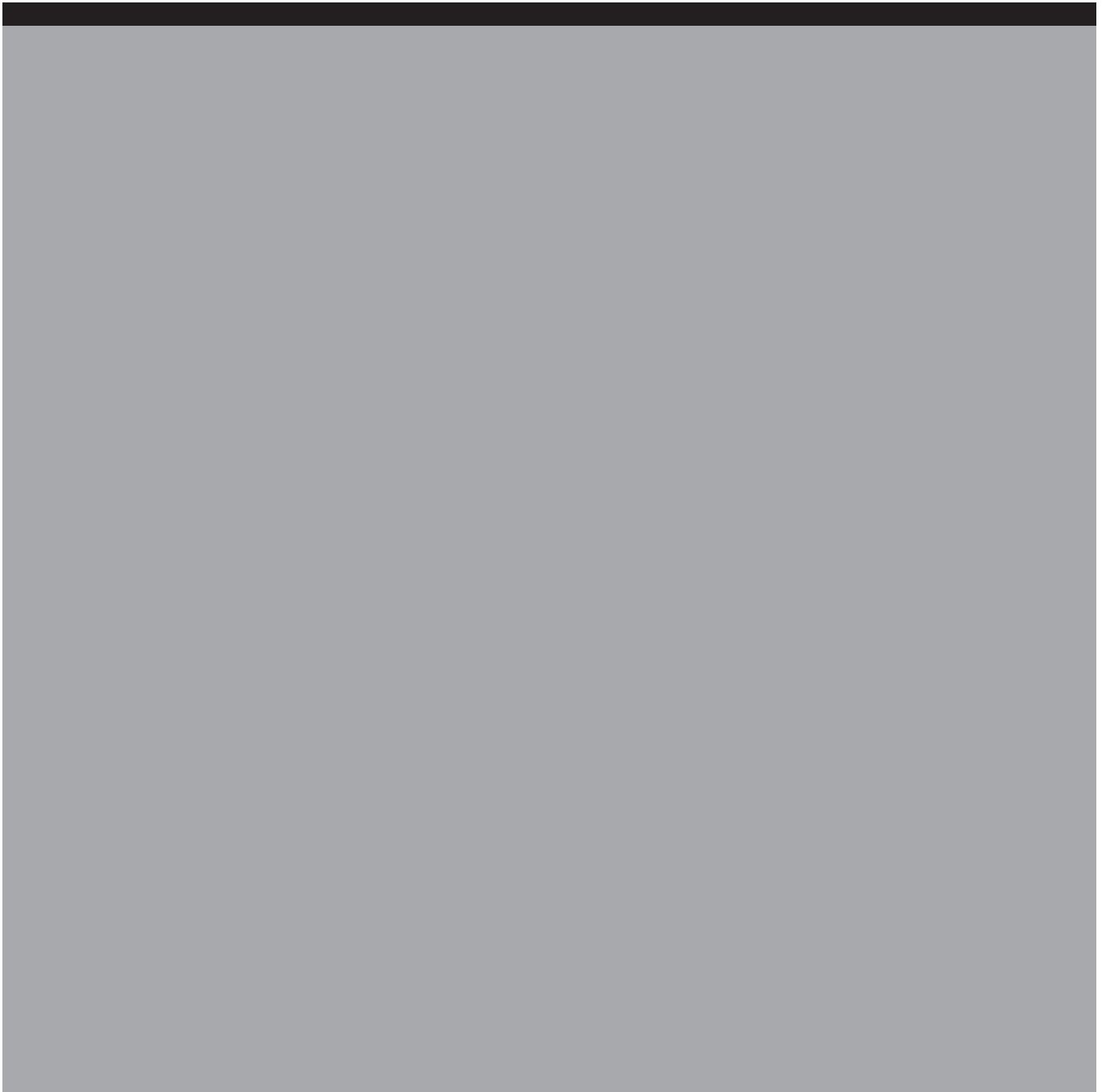


Creating Strong, Safe and Prosperous Communities
Statutory Guidance: Draft for Consultation



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Creating Strong, Safe and Prosperous Communities
Statutory Guidance: Draft for Consultation

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About this Consultation

1. This consultation paper seeks views on the draft Statutory Guidance: *Creating Strong, Safe and Prosperous Communities* being developed by the Government following enactment of the Local Government and Public Involvement in Health Act on 30 October 2007.
2. This Statutory Guidance is central to the delivery of the new settlement between central government, local government and citizens, as set out in the White Paper: *Strong and Prosperous Communities*.
3. In the White Paper Implementation Plan¹ we made a commitment to keeping guidance to a minimum; making it consolidated and light-touch – prescribing only our minimum expectations rather than detailing processes that are better determined locally. We also stated that we would work closely with our partners, in particular ensuring their early involvement in work on guidance. In preparing this guidance we have consulted with a wide variety of stakeholders from an early stage, with the aim of ensuring that guidance meets the reader's needs and provides the right information in the right way.
4. You will not find best practice examples in this document. Through the wide consultation undertaken in the development of the guidance, it was felt that statutory guidance was not an appropriate place for providing examples of best practice, and that this was far more effectively disseminated through other channels.
5. **Although the guidance is published in draft form, it will still be useful for authorities in planning their approach to the new provisions. However, authorities should be aware that the guidance may change as a result of the consultation.**

¹ Communities and Local Government (2007) *Strong and Prosperous Communities: The Local Government White Paper; Making it happen: The Implementation Plan*

Schedule for introduction of legislation

	Who it applies to	Date of introduction	Relevant sections of Guidance
Statutory Local Area Agreements (and associated Duties, namely (i) duty to cooperate in determining LAA targets (ii) duty to have regard to targets	All Responsible authorities ² and statutory Partner Authorities ³	Early 2008	Sections 4, 5 and 6
Deregulation of the Best Value Regime	All Best Value authorities ⁴	1 April 2008	Section 6
Duty to Involve local representatives	All Best Value Authorities excluding police authorities	1 April 2009	Section 2

Related Documents

6. A number of publications are also being released during the Autumn/Winter 2007 which form part of the new performance management framework. These being:

Guidance on LAAs: 'Negotiating New Local Area Agreements' (Sept 07) and 'Development of the New LAA Framework Operational Guidance 2007 (Nov 07)

7. These two pieces of non-statutory operational guidance have been issued (in September and November 2007). They provide practical guidance for those currently in the process of negotiating Local Area Agreements in 2008/09. This Statutory Guidance aims to set LAAs into the wider context of the new Performance Framework and is intended to provide a long lasting description of the requirements in relation to statutory LAAs.

2 See section 103 of the Local Government and Public Involvement in Health Act 2007. Paragraph 4.3 also lists which authorities are 'responsible authorities'

3 See section 104 of the Local Government and Public Involvement in Health Act 2007. Paragraph 5.4 also list which bodies are 'partner authorities'

4 Section 1 of the Local Government Act 1999

National Indicators for Local Authorities and Local Authority Partnerships: Handbook of Definitions

8. The Government is also consulting between 8 November and 21 December 2007 on the technical of definitions for the national indicator set.⁵

Draft new PPS 12 guidance on Local Development Frameworks (LDF)

9. Draft new PPS12, published on 21 November, sets out government policy on local development frameworks. The LDF is a 'portfolio' of local development documents which present the spatial planning strategy for an area. The Draft new PPS takes on board Planning White Paper commitments to change LDFs, making them more flexible, streamlined and with more meaningful community involvement. To create strong and prosperous communities there must be a strong relationship between service delivery and planning for the built and natural environment. This relationship is also explained in Draft new PPS12.

Comprehensive Area Assessment

10. Comprehensive Area Assessment (CAA) will be introduced from 1 April 2009. CAA will replace the Comprehensive Performance Assessment (CPA) and other rolling programmes of assessment and inspection for anything done by local authorities acting alone or in partnership.

11. A joint consultation is being run by the Audit Commission, Commission for Social Care Inspection, Healthcare Commission, HM Inspectorate of Constabulary, HM Inspectorate of Prisons, HM Inspectorate of Probation and Ofsted between 19 November 2007 and 15 February 2008. It sets out their proposals for how CAA will be developed and work in practice. This consultation will be followed by some further testing to develop the detailed approach and a second, more detailed, inspectorate consultation on CAA methodology in summer 2008.

12. This statutory guidance does not include any specific reference to CAA, as this is covered by separate consultation. However, responses to this consultation, and the inspectorates' consultation, will help to inform the way in which CAA is developed. In particular responses will influence how CAA takes account of performance and prospects for delivery in each local area on issues covered in this guidance.

⁵ The Government has published a set of national performance indicators as part of the Comprehensive Spending Review. From April 2008 these will replace existing national performance indicators for local government. 'Local Performance Framework' and 'National Indicator Set', when referred to in this document, are shorthand for the performance framework for local government working alone or in partnership (which complements other local performance frameworks that it overlaps with) and the national indicator set for outcomes delivered by local government working alone or in partnership (which complements other national indicator sets).

Workforce Matters

13. The existing ODPM Circular 03/2003 contains guidance on the Handling of Workforce Matters in Contracting (Annex C) and the Code of Practice on Workforce Matters in Local Authority Service Contracts (Annex D). As this statutory guidance will replace the guidance contained in ODPM Circular 03/2003, the Government intends to publish a separate Workforce Matters consultation document covering both annexes.

How to Respond

14. The Government welcomes your views on the proposals set out in this consultation paper. We have posed a number of specific questions, upon which we would particularly like comments. These are listed below. However, we would welcome comments on all aspects of the guidance.

15. Consultation responses should be submitted electronically, via an electronic form or the e-mail address below. It would be very helpful if all responses can be annotated with the relevant question number or paragraph number to which the comment relates.

1. Given that the new duty to involve leaves the decision about when and how to involve “representatives of local persons” to best value authorities (except police authorities), have we adequately explained the duty and what is required?
2. Have you aligned or do you plan to align your LDF Core Strategy within the Sustainable Community Strategy? We are interested to understand what lessons you may have learned to inform the final guidance.
3. In defining the duty to co-operate it is important to strike the right balance between using this as the basis to create more effective partnership working locally and not being too prescriptive regarding processes. Have we struck the right balance in the draft guidance?
4. In defining the implications of ‘having regard to local improvement targets’ it is important to strike the right balance between using this as the basis to ensure clear accountability and a greater likelihood that these targets will be met without being too prescriptive regarding processes. Have we struck the right balance in the draft guidance?

5. Does this section provide sufficient clarity on the trade-offs that best value authorities must make when seeking to provide both quality services to local communities and value for money to the taxpayer?
6. We want to place service users and communities at the heart of commissioning. Do you believe that the guidance given, here, together with that on the new duty to involve in section 2 work together to help achieve that ambition?
7. The commitment to three year grant funding for partners in third and business sectors is important. Have we struck the right balance between using this guidance to strengthen that commitment and not being too prescriptive regarding process?

Please let us have your comments no later than Tuesday 12th February 2008, on the electronic form (preferred method) at <http://statutorysurvey.communities.gov.uk> or by e-mailing them to: StatGuidance@communities.gsi.gov.uk

or by post to:

Jo Harper
 Department for Communities and Local Government
 4/J2 Eland House
 Bressenden Place
 London
 SW1E 5DU

Will my comments be made public?

16. The Government will use the responses in finalising its proposals set out in this consultation paper. According to the requirements of the Freedom of Information Act 2000, all information contained in the response including personal information may be subject to publication or disclosure. Where respondents request that information given in response to the consultation be kept confidential, this will only be possible if it is consistent with Freedom of Information obligations.

The Consultation Criteria

17. The Government has adopted a code of practice on consultations. The criteria below apply to all UK national public consultations on the basis of a document in electronic or printed form. They will often be relevant to other sorts of consultation.

18. Though they have no legal force, and cannot prevail over statutory or other mandatory external requirements (e.g. under European Community Law), they should otherwise generally be regarded as binding on UK departments and their agencies, unless Ministers conclude that exceptional circumstances require a departure.

- a. Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy.
- b. Be clear about what your proposals are, who may be affected, what questions are being asked and the timescale for responses.
- c. Ensure that your consultation is clear, concise and widely accessible.
- d. Give feedback regarding the responses received and how the consultation process influenced the policy.
- e. Monitor your department's effectiveness at consultation, including through the use of a designated consultation co-ordinator.
- f. Ensure your consultation follows better regulation best practice, including carrying out a Regulatory Impact Assessment if appropriate.

The full consultation code may be viewed at

www.bre.berr.gov.uk/regulation/consultation/code/index.asp

Are you satisfied that this consultation has followed these criteria? If not, or you have any other observations about ways of improving the consultation process please contact:

Communities and Local Government Consultation Co-ordinator
Zone 6/H10
Eland House
London
SW1E 5 DU
or by e-mail to:
consultationcoordinator@communities.gsi.gov.uk

Foreword by Rt Hon Hazel Blears MP, Secretary of State for Communities and Local Government

2008 will be a watershed year for Britain's local democracy.

It is the year in which the mature relationship between central and local government, debated for so long, and promised in the White Paper *Strong and Prosperous Communities*, becomes reality.

It means greater discretion for councils to put the governing back into local government: not just administering services, but thinking strategically about what local people want and need.

At the end of October, the Local Government Public Involvement in Health Bill gained Royal Assent. This Act introduces a new settlement between central and local government, and between local government, its partners and its citizens.

This draft statutory guidance, which I am publishing for consultation, sets out how many of the key measures in the Act will enable local authorities to engage their citizens, lead their communities, and find new and more effective ways to deliver high quality services with their partners.

The changes we are introducing offer unprecedented opportunities for local leaders to set out their vision for their communities, while empowering local people to help deliver that vision.

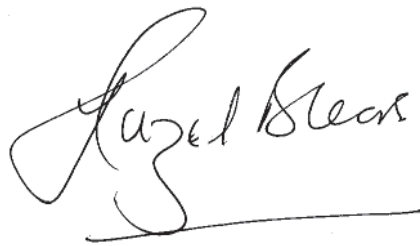
The LAA framework explained in the guidance is critical as the negotiation becomes not just the place where local councils and their partners decide how they are going to improve the quality of local life but will be the only place where national and local government agree a shared set of priorities.

Also explained is how local authorities and partners will co-operate to agree targets for improvement on the local priorities that matter most.



Crucially the guidance also covers how authorities can use the new duty to involve to ensure that citizens can play an active role in shaping the future of the place where they live – for example through setting up citizens panels, participatory budgeting, or transferring under-used buildings to community groups.

I am confident that local authorities can rise to the challenge, deliver for the people they serve, and make every community proud.

A handwritten signature in black ink, reading "Hazel Blears". The signature is written in a cursive style with a long horizontal line underneath the name.

Introduction

Scope of the Guidance

The Local Government and Public Involvement in Health Act received Royal Assent on October 30th 2007. This guidance explains the provisions of Part 5, Chapter 1 and Part 7 of the Act, which relate to the new statutory framework for Local Area Agreements (LAA), Joint Strategic Needs Assessments and the new, simplified best value regime, which includes a new duty to involve. It also provides updated guidance on the preparation of sustainable community strategies, under section 4 of the Local Government Act 2000. The guidance only applies to England.

Paragraphs 2.13 to 2.28 contain statutory guidance provided under section 3A and of Local Government 1999 (as provided by sections 138 of the Local Government and Public Involvement in Health Act 2007) on to how to involve representatives of local persons.

Paragraphs 2.2 to 2.9 contains non-statutory guidance. They replace the previous non-statutory guidance 'Local Strategic Partnerships' DETR 2001.

Paragraphs 3.1 to 3.26 contain statutory guidance under section 4 of the Local Government Act 2000 in relation to the preparation or modification of Sustainable Community Strategies. Paragraphs 3.1 to 3.30 replace that issued previously under section 4 of the Local Government Act 2000 ie 'Preparing Community Strategies: Government Guidance to Local Authorities'.

Paragraphs 3.27 to 3.32 contain statutory guidance provided under section 116 of the Local Government and Public Involvement in Health Act in relation to the new requirement to produce a Joint Strategic Needs Assessment for health and social care.

Paragraphs 4.3 to 4.28, 5.4 to 5.6 and 5.13 to 5.14 and 6.2 (except for the box on data sharing) contain statutory guidance provided under sections 106 and 111 of the Local Government and Public Involvement in Health Act 2007 in relation to the preparation of LAAs.

Paragraphs 6.4 to 6.14 contain statutory guidance provided under section 3 and of Local Government 1999 (as amended by sections 137 of the Local Government and Public Involvement in Health Act 2007) in relation to how commissioning and the duty of best value can be addressed. Paragraphs 6.4

to 6.14 replace that issued in ODPM Circulars 03/2003, 07/2003, 10/2003, 01/2004, 02/2004, 09/2004 and 05/2006.

Contents

Section 1 of the guidance provides an introduction to the concept of a **new settlement** between central government, local government and their partners and citizens and **community leadership**, providing a context for the later sections of the document.

Section 2 addresses issues of **governance and engagement**, setting out the role of the Local Strategic Partnership and the leadership role of local authorities within them. The section also deals with the Duty to Involve on best value authorities⁶ and how local communities are to be engaged and empowered in shaping the future of their area.

Section 3 provides guidance on **establishing a vision** for the area. The central role of the Sustainable Community Strategy in encapsulating the 'story of place' is explained, together with how this Strategy should relate to other local plans and strategies.

Section 4 covers the overall **establishing of priorities** for an area through the Local Area Agreement (including the formal submission, approval, designation and revision processes).

Section 5 also addresses the establishing of priorities from the **perspective of partners**, crucially it explains what is expected in terms of co-operation to determine targets.

Section 6 covers the **delivery of outcomes** for an area. It explains how partner authorities are required to have regard to targets they have agreed in the Local Area Agreements, along with how commissioning and the duty of best value should be addressed in the future.

⁶ Except Police Authorities – see para 2.13

Glossary of legislative terms used in the guidance

- *Responsible Local Authority* – Is a local authority that has a duty to prepare a LAA
- *Partner Authority* – is a person or body that must be consulted by a responsible authority when it prepares its LAA, must co-operate with the responsible authority to determine LAA targets and must have regard to LAA targets it has agreed
- *Local Improvement Targets* – Is the legal term that refers to all targets in the LAA⁷
- *Designated targets* – Are Local Improvement Targets that have been selected by the Secretary of State as being of national importance and are subject to different amending and reporting arrangements
- *Revision Proposal* – The process that must be followed in order to amend or remove an existing designated target. A revision proposal may also add new local improvement targets.
- *Memorandum relating to LAA* – the means by which the responsible authorities are required to provide public information about LAA targets.
- *Best value authorities* – Are those authorities listed in section 1 of the Local Government Act 1999 that are subject to the duty of best value.
- *Representatives of local persons* – " refers to a mix of " local persons", ie a selection of the individuals, groups or organisations the authority considers likely to be affected by, or have an interest in, a particular authority function and who the authority is under a duty to involve where they think it appropriate to do so.

These terms may be referred to differently in other Government documents, such as in operational LAA guidance.

Any reference in this document to **'the Act'** is a reference to the Local Government and Public Involvement in Health Act 2007

⁷ Responsible authorities' are county councils, unitary district councils, London boroughs, the Council for the Isles of Scilly and the Common Council of the City of London

1

Creating strong, safe and prosperous communities

1.1. The Local Government White Paper⁸ declared the Government's ambition to create strong, safe and prosperous communities throughout England through a new settlement between central government, local government and citizens. The key components of the new settlement are:

- a recognition that **every place is different**, with distinctive strengths and needs
- a new approach by central government that creates space for distinctive **local priorities** and **local innovation**
- a commitment to widen and deepen the **involvement of local communities** in shaping their own future
- councils taking on the role of democratically elected **strategic leaders** and convenors of local partnerships in the **wider governance** of their localities
- a focus on **co-ordinated action** tailored to the distinctive needs and opportunities of each place and its people

1.2. To achieve positive **outcomes for people and places** there needs to be a broadening of local government's remit – responding to long-term challenges such as public health, climate change and demographic fluctuations, ensuring continued economic prosperity and environmental sustainability, and building strong societies in which people want to live and work. This means;

- a responsibility on councils to provide **strategic and political leadership** and involve the full range of stakeholders in developing and delivering a shared vision for their area
- all key local partners **working together** to address the risks and challenges facing the areas, using their combined resources to best effect
- **involving and empowering communities**, acknowledging that services will be improved and communities strengthened only if local people are effectively engaged and empowered, as individuals and through organisations representing them
- through elected local government, **wider and stronger local accountability** for public services and local outcomes, rebuilding trust between citizen and state

⁸ Communities and Local Government (2006) *Strong and Prosperous Communities: Local Government White Paper*

1.3 Central government recognises that a tailored approach to improvement needs to be developed for each area, focussed on outcomes and appropriate to its needs. Central to this is the need to bring together national standards and priorities set by Government, with local priorities informed by the vision developed by the local authorities and its partners. This new approach acknowledges the progress made by councils in managing their own performance, with a role for inspection and intervention based on an assessment of risk.

Central Government is working with the Local Government Association to establish a concordat to govern the relations between central and local government. The concordat will provide an unprecedented agreement on the rights and responsibilities of local government, including its responsibilities to provide effective leadership of the local area and to empower local communities. The move towards more local freedoms is intended to be profound and enduring, and represents a new settlement as part of wider reforms of the Governance of Britain.⁹ It aims to put the 'governing' back into 'local government' and to empower citizens to make a real difference in their localities.

Delivering the Community Leadership vision

1.4 Everyone has a role to play in creating strong, safe and prosperous communities. In every area, councils and local public service partners are already working together and in partnership with local businesses, third sector organisations and local people to improve local well-being.

To cement this approach, a new local performance framework has been developed, which is built around a transformed set of relationships between local authorities and their partner agencies, Government Offices in the regions and Central Government Departments. This guidance explains how various new pieces of legislation,¹⁰ relating to the performance framework, fit together – with the aim of making a real difference to people and places.

- The starting point for delivering better outcomes is for local partners, in the **Local Strategic Partnership (LSP)**, to create a shared vision and shared sense of priorities for a place. The vision will be set out in a **Sustainable Community Strategy**,¹¹ which will describe how people who live and work there want it to change over time.

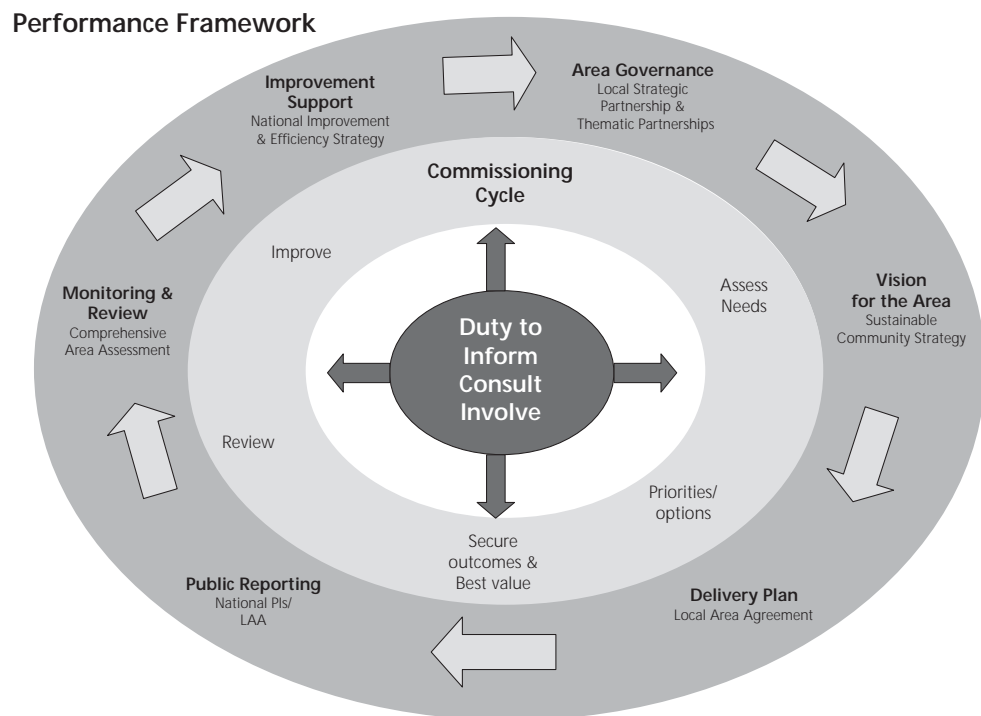
⁹ Ministry of Justice (2007) Governance of Britain

¹⁰ Part 1 of the Local Government Act 1999; Part 1 of the Local Government Act 2000; Part 5, Chapter 1 and Part 1 of the Local Government and Public Involvement in Health Act 2007

¹¹ Section 4 of the Local Government Act 2000 was amended by section 7 of the Sustainable Communities Act 2007 so that Community Strategies are now called Sustainable Community Strategies.

- The **duty to involve** will ensure that local people have greater opportunities to influence decision-making and get involved.
- New **Local Area Agreements (LAAs)** form the heart of the new local performance framework. They help deliver the ambitions for the place and its people, set out in the Sustainable Community Strategy; they set out the 'deal' between central government and local authorities and their partners to improve services and the quality of life in a place. LAAs will be the only vehicles for agreeing targets between local government and their delivery partners and central Government.
- The **duty to cooperate** to agree targets in LAAs provides a key lever to bring about a more robust approach to local partnership working.
- Partners can then work together to deliver positive outcomes, particularly through **commissioning**, to ensure **best value** is secured for citizens and communities.

1.5 The diagram below illustrates how the performance framework is designed to function as a whole.



2

Governance and engagement

2.1 Shaping places requires strong local leadership. This guidance sets out how this can be achieved through a partnership approach which fully engages local communities in planning for the future of their area.

Local Strategic Partnerships

2.2 LSPs provide the forum for collectively reviewing and steering public resources, through identifying priorities in Sustainable Community Strategies and LAAs. But (as non-statutory bodies) they are not the ultimate decision-makers on such plans. All target-setting, and consequent financial, commissioning, or contractual commitments proposed by LSPs, must be formalised through the relevant local authority, or through one of the other LSP partners (for example, if policing, or health resources are involved).

2.3 LSPs are not statutory bodies and there are no provisions in the Act that create a legal relationship between either local authorities and 'the LSP' or their partners and 'the LSP'. LSPs are instead a collection of organisations and representatives coming together voluntarily to work in partnership.

The role of the LSP

2.4 The roles of the local authority with its LSP partners are summarised below:

- Exercise a **leadership and governing role** through identifying and articulating the needs and aspirations of local communities and reconciling or arbitrating between competing interests
- Have **oversight of and aim to co-ordinate community consultation and engagement** activities of individual partners and where appropriate combine them. (see para 2.26)
- Produce a **Sustainable Community Strategy (SCS)** based on data and evidence from the local area and its population, to establish a shared local vision and priorities for action. (see section 3 on establishing a shared vision for more details);
- Produce a unitary/county-wide **Local Area Agreement (LAA)**, based on the priorities identified in the area's Sustainable Community Strategy/s. (see section 4 on preparing an LAA for more details);

- Have **oversight of the planning and alignment of resources** in the locality (where relevant to delivery of the Sustainable Community Strategies and LAA) in order to achieve more effective commissioning and ultimately better outcomes. Although, each partner will remain accountable for its decisions taken in relation to funding streams allocated to it. (see section 6 on the delivery of priorities for more details)
- **Review and performance manage progress** against the priorities and targets agreed in the LAA and ensure delivery arrangements are in place (see section 6 on the delivery of priorities for more details). Part of fulfilling this will require the local authority and its partners to seek to ensure that sufficient support is provided to the LSP to help it co-ordinate the delivery of the targets that have been agreed through the LAA.

2.5 Local councils are expected to play a leadership role in these key and over-arching partnerships. It is expected that local government will initiate and maintain momentum in the LSP and ensure appropriate representation across the different sectors including the involvement of local residents where appropriate and scrutiny of the actions of the partner authorities in the LSP. Local government also has some specific statutory duties and responsibilities to carry out through partnership working, as explained below.

Strengthening democratic accountability – the leadership role for local authorities

In relation to the overarching role for LSPs described above there are particular roles that councils and elected members should fulfil:

- Leadership:** executive members in particular, building on their power to promote the wellbeing of their area enshrined in the Local Government Act 2000 have a vital role in leading LSPs through the negotiation and definition of priorities and in overseeing delivery. Councillors also play an important leadership role in thematic partnerships. They also have relevant leadership roles in other agencies such as police authorities, and Regional Development Agencies, who are also partner authorities.
- Driving agreement of a shared set of priorities:** The duty to produce a Sustainable Community Strategy rests with the local authority. In addition, the duty to prepare a LAA lies with the responsible local authority. In fulfilling this duty they must seek to achieve collective consensus through the LSP on the content of the LAA for the area.

- iii. **Neighbourhood or community representation:** all councillors have a role in advocating the needs of their communities whether urban, rural, parished or unparished. This will contribute to community involvement, to the identification of needs, and to the monitoring of delivery.
- iv. **Scrutiny:** In addition, Overview and scrutiny committees of councils will be given new powers under regulations to be made under the Act and under provisions in the Police and Justice Act 2006. These new powers of scrutiny to be given under the Local Government and Public Involvement in Health Act 2007 will relate specifically to scrutiny of the list of partner authorities for LAA purposes – with the exception of police authorities and the chief officer of police.

LSP governance and accountability between partners and to the local area

Key principles

2.6 In order to effectively achieve the role set out above, the Government believes that each LSP should follow these key principles:

- i. It is for the LSP collectively to develop clear and transparent lines of accountability and responsibility between its partners. LSPs are at varying levels of development and there should be flexibility in the governance arrangements. However, the direction of travel must be towards more robust arrangements with an embedded democratic accountability.
- ii. The LSP structure should be driven by and reflect local circumstances. However, it should include some form of executive board, which is able to take strategic decisions underpinned by the main thematic partnerships for the area.
- iii. The chair of the board, whilst appointed by the LSP, will need to be formally recognised by the relevant local authority's executive.
- iv. It is essential that representatives from the local third sector and private business sector are represented as part of the formal membership of the LSP and relevant sub-groups.
- v. The representatives need to be able to take account of **all** of the community including the diverse range of minority community

interests. It should also be clear how they will be able to influence the decisions and actions of the LSP.

- vi. The LSP will also need to draw on environmental, social and economic expertise through its membership and its thematic partnerships in order to agree a robust Sustainable Community Strategy.
- vii. Individual partner authorities are responsible for agreeing particular targets in the LAA and for having regard to those targets when exercising their functions.

County and district LSPs

While county and district LSPs need to respect each other's autonomy, they are expected to work together in leading local partner activity on developing Sustainable Community Strategies, spatial plans and a county-wide LAA. See also paragraph 4.10

2.7 The Government Offices will work with LSPs to provide them with support and challenge to help ensure that the partnerships internal structures are robust and that all relevant partners are appropriately involved and engaged in the Partnership and LAA. *See also the role of the Government Offices as set out in the 08/09 operational LAA guidance.*

Third sector principles

Working with the third sector, Communities and Local Government has published a discussion document setting out principles of representation through which the sector can organise itself to strengthen engagement in LSPs and thematic partnerships.¹²

The relationship between the LSP and the thematic partnerships

2.8 In order to ensure the effective delivery of the agreed priorities, the thematic partnerships in an area should underpin and support the executive board of the LSP. This support will need to include:

- providing the LSP with sufficient information to make decisions
- being directly involved in the decision making processes
- co-ordinating the delivery of the relevant priorities agreed by the wider LSP.

¹² www.communities.gov.uk/publications/communities/principlesofrepresentation

2.9 There should be clear lines of accountability between the thematic partnerships and the LSP that demonstrate how and when the partnerships can influence the decision making process and hold, and be held, accountable by the LSP board.

Community Empowerment – the duty to involve

2.10 “Democracy works best when it is a conversation; and one of the core elements of that conversation is building the community’s input into the often controversial balancing act between competing community voices that is often the elected members’ job to make”

Sir Simon Milton, Chair of the Local Government Association¹³

2.11 There is growing evidence, from both the UK and abroad, that involving citizens in local decision making and services has a number of benefits. These include:

- strengthening the democratic legitimacy of government and the civic life of the community;¹⁴
- more efficient and effective services¹⁵ that better reflect the needs of users and have higher levels of customer satisfaction;¹⁶
- safer communities and a more attractive built environment that meets people’s needs;¹⁷ and
- strengthening community cohesion.¹⁸

2.12 Local government has always involved communities in decisions and services and there is a lot of good practice across the country. The new duty to involve seeks to ensure people have greater opportunities to have their say. The aspiration for the new duty is to embed a culture of engagement and empowerment. This means that authorities consider, as a matter of course, the possible information provision, consultation and involvement opportunities they need to provide people across all authority functions.¹⁹

2.13 The new duty, due to come into force on 1 April 2009, is set out in Part 7 section 138 of the Act 2007. The duty applies to all best value authorities

¹³ *An Action Plan for Community Empowerment: Building on success*, Communities and Local Government and the Local Government Association, October 2007

¹⁴ *The benefits of community engagement, a review of the evidence*, Ben Rogers and Emily Robinson, Home Office / IPPR, 2004; *How local Government Devolves, and Why*, LGA / Young Foundation / IDeA, 2006.

¹⁵ *Housing: Improving services through resident involvement*, The Audit Commission & Housing Corporation, 2004

¹⁶ *Improving delivery in mainstream services in deprived areas – the role of community*

¹⁷ *Neighbourhood Management: An overview of the 2003 and 2006 Round 1 Pathfinder Household Survey*, Communities and Local Government, 2006

¹⁸ *Our Shared Future*, the report of the Commission on Integration and Cohesion, 2007

¹⁹ That is all of an authority’s powers and duties.

in England except police authorities.^{20 21} For ease of reference the rest of this section will refer to “authorities”, meaning those authorities responsible for meeting the duty.

2.14 There are a range of existing requirements on authorities to engage with users or citizens, relating to individual functions (such as planning). The duty to involve does not replace these existing requirements. Instead, the new duty needs to be considered in addition to them, i.e. authorities need to determine whether the new duty requires any extra actions over and above these more specific requirements.

2.15 When considering if and how *representatives of local persons* should be involved authorities should bear in mind that the duty does not give any new powers. For instance it does not enable authorities to pass on duties or responsibilities to another body, group or individual beyond the powers set out in other legislation (e.g. section 101 of the Local Government Act 1972).

What does the new duty to involve require?

2.16 The duty requires authorities to take those steps they consider appropriate to involve *representatives of local persons* in the exercise of any of their functions, where they consider that it is appropriate to do so. It specifies the three ways of involving that need to be covered in this consideration:

- **providing information** about the exercise of the particular function;
- **consulting** about the exercise of the particular function; and/or
- **involving in another way.**

²⁰ Best value authorities required to meet the new duty: Local authorities; National Park Authorities; the Broads Authority; Fire & Rescue Authorities; Waste Disposal Authorities; Joint Waste Authorities; Passenger Transport authorities; Transport for London; Greater London Authority in so far as it exercises its functions through the mayor; and the London Development Agency.

²¹ Police Authorities are exempt from this duty as they are already covered by similar provisions in Section 96 in the Police Act 1996; Section 157 the Serious Organised Crime and Police Act 2005.

What do we mean by “representatives of local persons”?

Within the context of the duty the term “local persons” refers to those likely to be affected by, or interested in, a particular authority function. It should be noted that the term “local persons” is not simply a reference to local residents. It also covers those who work or study in the area (including those who work for the authority); visitors; service users; local third sector groups; businesses; bodies such as parish councils; and anyone else likely to be affected by, or interested in, the function.

The phrase “representatives of local persons” refers to a mix of “local persons”, ie a selection of the individuals, groups or organisations the authority considers likely to be affected by, or have an interest in the authority function. In the context of the duty the “representative” does not refer to formally elected or nominated members of the community, such as councillors.

2.17 Authorities will need to consider whether one, two, all three or none of the approaches at para 2.16 are appropriate in the exercise of functions. They will also need to consider the need to adopt different approaches for different functions, within any corporate approaches they adopt.

2.18 Authorities should provide *representatives of local persons* with appropriate information about services, policies and decisions which affect them, or might be of interest to them. The provision of information should support *representatives of local persons* to have their say and get involved in authority functions where appropriate. This therefore goes beyond the simple provision of information on how to access services (including locations, opening hours, eligibility criteria etc), although this remains an important aspect of effective delivery. Authorities should ensure that the information is provided in a way that *representatives of local persons* can easily access and understand, tailoring it as appropriate to different audiences to support involvement.

2.19 Authorities should offer *representatives of local persons* appropriate opportunities to have their say about the decisions and services that affect them through consultation. Examples of consultation include: formal (including mandatory) consultations, satisfaction surveys, as well as direct dialogue with *representatives of local persons*, for example through citizens’ juries. Consultation needs to provide genuine opportunities for people to be involved so authorities will want to draw on widespread evidence of what constitutes good practice in consultation.

2.20 Authorities should consider where it is appropriate to provide *representatives of local persons* with opportunities to have their say and get involved in activities over and above being informed and consulted. This will relate to the most interactive forms of engagement, giving them greater influence over decisions or delivery. Authorities should consider providing opportunities for *representatives of local persons* to:

- **influence decisions** (eg participatory budgeting; citizen juries);
- **provide feedback on decisions, services and policies** (eg 'have your say' section on the authority website; feedback forms being made available);
- **co-design/work with the authority in designing policies and services** (eg *representatives of local persons* being involved in the commissioning of services);
- **co-produce/carry out some aspects of services for themselves** (for example having responsibility for the maintenance of a community centre; the transfer of assets,²² or the management of assets, to *representatives of local persons*; communities taking part in 'street clean up' or environmental conservation work); and
- **work with the authority in assessing services** (eg citizens acting as mystery shoppers).

The role of information provision in consultation and involvement

When consulting and/or involving *representatives of local persons* authorities should clarify the purpose, scope and parameters of the activity. Authorities should also consider how best to communicate how the input of local representatives has influenced decisions and services.

When consulting authorities should consider how local representatives will understand:

- The different options available, the pros and cons of each and any other relevant background information;
- The decision making process (i.e. how decisions are made, who makes the final decision and what evidence taken into consideration);
- How their views will inform decisions;
- How the authority will inform *representatives of local persons* about the authority's actions/decisions and any relevant means of appeal.

²² The transfer of assets in itself does not constitute involvement unless local people have a role in the management of the asset.

Applying the duty

When is it appropriate to inform, consult and/or involve?

2.21 In considering how to fulfil the statutory duty, authorities should aim to involve representatives of local people as much as possible. This should be in relation to routine functions, as well as significant one-off decisions. They should not shy away from involving people in difficult issues, but will need to be clear in such circumstances about how much influence over decisions is being offered.

2.22 In meeting this duty, authorities should consider:

- **privacy:** *Representatives of local persons* should not be involved in individuals' personal matters e.g. individual cases of adoption. However it might be appropriate to inform, consult and/or involve "representatives of local people" in the policy development around these issues.
- **previous engagement or involvement** (either by the authority or others): This should be used to inform the next stage of involvement with the public so as to avoid duplication and to help move any engagement forward.
- **possible benefits and costs:** Authorities should consider the predicted benefits of informing, consulting and/or involving against the costs of that involvement.

Who should be informed, consulted and/or involved?

2.23 Authorities should determine who it would be appropriate to inform, consult or involve (see paragraph 2.16 for explanation of the phase *representatives of local persons*). This will vary depending on the type of authority, policy or service.

2.24 We recognise that many authorities are well aware of the need to engage a diverse range groups within the community and take action to ensure that all groups within the area are engaged. This is particularly important in the discharge of this new duty. Authorities will need to consider carefully the appropriate audience and ensure that any information provision, consultation or involvement opportunity effectively reaches the relevant parts of the community – including those who are hardest to reach.

The role of the third sector

What do we mean by “the third sector”

The Government defines the third sector as non-governmental organisations that are value driven and which principally reinvest their surpluses to further social, environmental or cultural objectives. It includes voluntary and community organisations, charities, social enterprises, cooperatives and mutuals. Each area will want to develop and keep under review an understanding of the third sector operating in their locality.²³

2.25 There are three possible ways authorities should think about involving the third sector as part of the new duty. Firstly, local third sector organisations might be affected by, or interested in, a particular authority function. As such an authority might decide that it is appropriate to inform, consult and/or involve the group in some way. Second, third sector organisations might have a role as advocates for local people (particularly marginal and/or otherwise vulnerable groups). Therefore an authority might decide to involve a third sector organisation in addition to individual citizens and groups. Finally, third sector organisations might be able to provide relevant expertise and specialist knowledge that might help the authority in reaching out to marginalised and vulnerable groups.

What information, consultation, involvement is appropriate?

2.26 Authorities regularly need to make decisions about how best to engage their local community. In terms of fulfilling the duty we would expect authorities to consider:

- **Accessibility:** Authorities should ensure that *representatives of local persons* are informed/consulted/involved in a way that considers their needs. The appropriate method of engagement will depend on local circumstances and the audience the authority is trying to reach. Authorities should monitor the effectiveness of the chosen method of engagement.
- **Proportionality:** Authorities should consider the resources needed to inform, consult, and/or involve appropriately. The extent of the engagement should be proportionate to the significance of the issue – both to the authority and to local people – and to the benefits to be gained from involvement.
- **Partnership working:** For cross cutting issues that require joint work between the authority and another organisation (statutory and

²³ See also paras 6.12 and 6.13 of this document.

non-statutory) authorities should consider working with others to engage the community.

- **Coordination:** Authorities should ensure that activities to inform, consult and involve *representatives of local persons* do not take place in isolation, but as part of an integrated approach across the area.²⁴
- **Timing:** Authorities should consider when *representatives of local persons* should be informed, consulted and/or involved. In line with best practice it should be as early as possible to ensure that authority functions are shaped around the needs and aspirations of the community.

What will success look like?

2.27 The activities authorities undertake to meet the duty will depend on local circumstances. Appropriate engagement should be embedded as standard practice throughout authorities, central to service delivery, policy and decision making.

2.28 Authorities should be able to demonstrate, through evidence gathered in the normal course of business, that they:

- understand the interests and requirements of the local community;
- use their understanding to ensure information, consultation and involvement opportunities are provided on the right issues, targeted at the right people, and accessible to those the authority is trying to reach;
- have an appropriate corporate approach to providing information, consulting and involving in other ways that flows throughout their organisation – from strategic policies into individual service delivery – and that they work with partners where appropriate; and
- local people will feel that the authority provides relevant and accessible engagement opportunities and will know how to get involved, either directly or through their elected representative. Local people will recognise that the authority's policies reflect this involvement and services are tailored to local needs, even though difficult choices in service provision need to be made.

²⁴ The local government white paper, *Strong and Prosperous Communities* (published October 2007) and the planning white paper, *Planning for the Sustainable Future* (published June 2007) highlighted the importance of authorities having a co-ordinated approach to engagement. To facilitate this we are proposing to repeal the requirement of an independent examination of the Statement of Community Involvement by the Planning Inspectorate. This means authorities will have more flexibility around how they use the statement and can therefore extend the scope of the statement, should they wish to.

Consultation question:

Given that the legislation leaves the decision about when and how to involve “representatives of local persons” to the authority, have we adequately explained the duty what is required?

3

Establishing a vision for the area

Sustainable Community Strategies

3.1 The purpose of a Sustainable Community Strategy is to set the overall strategic direction and long-term vision for the economic, social and environmental well-being of a local area – typically 10-20 years – in a way that contributes to sustainable development in the UK. It tells the ‘story of the place’ – the distinctive vision and ambition of the area, backed by clear evidence and analysis. The Local Government White Paper, *Strong and Prosperous Communities*²⁵ set out that the Sustainable Community Strategy must provide ‘a vehicle for considering and deciding how to address difficult and cross cutting issues such as the economic direction of an area, cohesion, social exclusion and climate change’.

3.2 Sustainable Community Strategies should contain the following elements:

- The **long-term vision based firmly on local needs**. This will be underpinned by a shared evidence base informed by community aspirations.
- **Key priorities for the local area**, based upon this vision which may realistically be achieved in the medium term – these will inform the strategy’s delivery agreement – the LAA.

3.3 Where appropriate and agreed by partners, the relevant Sustainable Community Strategy can incorporate the local authority’s Homelessness and Housing Strategies.

3.4 By virtue of section 1(a) of the Local Government Act 2000, the duty to prepare a Sustainable Community Strategy applies to the following authorities in England:

- County councils;
- District councils (this includes shire district councils, metropolitan district councils and other unitary district councils). Although district councils may choose to prepare their strategy together with the county council i.e. not to prepare a separate strategy (see section 3.23);
- London borough councils;

²⁵ See <http://www.communities.gov.uk/localgovernment/currentagenda/strongprosperous>

- The Common Council of the City of London in respect of its functions as a local authority;
- The Council of the Isles of Scilly.

3.5 Section 4(3) of the 2000 Act, as amended by section 114 of the Act, distinguishes between responsible authorities (those required to prepare an LAA) and other authorities (districts in two-tier areas). It requires responsible local authorities, when preparing or modifying their Sustainable Community Strategies to consult and seek the participation of each partner authority and such other persons (i.e. organisations and people) as they consider appropriate whereas districts are simply under a duty to consult and seek the participation of such organisations and people as they consider appropriate.

3.6 Local authorities will need to consider how they consult with representatives of local people (including residents and workers), parish councils, local businesses and third sector²⁶ on their Sustainable Community Strategies given the principles enshrined in the new duty to involve (see section 2).

3.7 Once prepared, the Sustainable Community Strategy must be agreed at full council in accordance with the Local Authorities (Functions and Responsibilities) Regulations 2000/2853.

What do we mean by a Sustainable Community Strategy?

3.8 The statutory duty as to the preparation of a Sustainable Community Strategy provides that it is a strategy that should contribute to sustainable development in the United Kingdom. The goal of sustainable development is to enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life, without compromising the quality of life of future generations' (Sustainable Development Strategy 2005).

3.9 For a local priority or policy to be sustainable, it should respect five principles:

- living within environmental limits,
- a strong, healthy and just society,
- achieving a sustainable economy,
- promoting good governance, and
- using sound science responsibly.²⁷

²⁶ Principles of third sector representation on LSPs can be found at www.communities.gov.uk/publications/communities/principlesofrepresentation

²⁷ UK Sustainable Development Strategy 2005

3.10 The shift to *Sustainable* Community Strategies emphasises, to a greater extent than previously, that sustainability should be at the heart of decisions taken on the content of the strategy. Sustainable Community Strategy's economic, social and environmental priorities should therefore demonstrate how they support each other in an integrated way. The strategy should also address the area's longer-term needs and those issues which affect the area that can only be addressed by looking across-boundaries. Local authorities should continue to have regard to the Government's sustainable development strategy.²⁸

How do Sustainable Community Strategies relate to other plans?

3.11 In any given local authority area, the Sustainable Community Strategy is the **overarching plan** for promoting and improving the well-being of the area. The Local Government White Paper emphasised the need for Sustainable Community Strategies and other local and (sub) regional plans to take account of each other, as they are prepared. The following paragraphs set this out in more detail.

Local Area Agreements

3.12 Responsible authorities are required by section 106(2)(c)(i) of the Act to have regard to their Sustainable Community Strategy when preparing their LAA. The Local Government White Paper envisaged the LAA as being the delivery agreement for the Sustainable Community Strategy.

Local Development Frameworks

3.13 Local planning authorities are required by Section 19(2)(f) & (g) of the Planning & Compulsory Purchase Act 2004 to have regard to Sustainable Community Strategies covering the area (i.e. in two tier areas, both county and district strategies) when preparing their Local Development Frameworks (LDFs). Local authorities should as far as possible align the Core Strategy of the LDF with the unitary, district or district-county (if merged) Sustainable Community Strategy.

3.14 In more closely aligning the core strategy of the LDF with the Sustainable Community Strategy, local authorities and their partners should help to ensure that their strategy is genuinely sustainable. In some cases Strategic Environment Assessment (SEA) may be required for Sustainable Community Strategies.²⁹ Where this is the case it should be intergrated into a wider Sustainability Appraisal process encorporating consideration of social

²⁸ <http://www.sustainable-development.gov.uk/>

²⁹ Guidance on whether community strategies should be subject to Strategic Environment Assessment can be found on p46 of A Practical guide to SEA – Directive (European Directive 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment – see also <http://www.communities.gov.uk/publications/planningandbuilding/practicalguide>)

and economic effects in addition to matters outlined in the SEA directive. This is already required for certain LDF documents and where SA is undertaken for both documents there may be further opportunity for closer alignment between the SCS and LDF, including the sharing of baseline information evidence gathering activities, assessment and reporting. Furthermore, planners have a duty to 'exercise their functions with a view to contributing to the achievement of sustainable development'.

3.15 The Government intends to remove the independent examination of the Local Development Framework's Statement of Community Involvement, partly so as to allow for more co-ordinated consultation, for example with that for Sustainable Community Strategy.

Consultation question: Have you aligned or do you plan to align your LDF Core Strategy within the Sustainable Community Strategy? We are interested to understand what lessons you may have learned to inform the final guidance.

Integrating housing and homelessness strategies

3.16 The Housing Green Paper *Homes for the Future : More Affordable, More Sustainable*³⁰ emphasised the importance of the strategic role in delivering new market and affordable housing, making best use of existing stock, and responding to the wider needs of all residents across all housing tenures.

3.17 As part of this, local authorities are expected to refresh their Housing Strategies and they have a statutory requirement to revise their Homelessness Strategies at least every five years.³¹ Refreshed housing strategies should:

- Fully reflect the wider vision of authorities and their partners;
- have a clear and evidenced approach;
- provide a strong focus on how partners will deliver their commitments, including on the infrastructure needed to support housing growth;
- include information about the outcome of their various assessments and their plans of action for addressing the needs identified

3.18 The Local Government White Paper *Strong and Prosperous Communities* also set out that local authorities are expected to incorporate these strategies within their Sustainable Community Strategy where possible.

30 <http://www.communities.gov.uk/publications/housing/homesforfuture>

31 Section 1, Homelessness Act 2002

Consultation Question: If you are working towards incorporating your housing strategy with your Sustainable Community Strategy, what lessons have you learned which could inform the final guidance?

Regional and sub-regional plans

3.19 The Review of Sub-national Economic Development and Regeneration³² outlined proposals to integrate the Regional Economic Strategy and Regional Spatial Strategy into a single integrated Regional Strategy which would be prepared by Regional Development Agencies. This will require legislation and until such time as that is in place, it is sensible for local areas to have regard to existing regional plans when revising their Sustainable Community Strategy. This arrangement would not apply in London.

3.20 London Boroughs, when preparing their Sustainable Community Strategy, should have regard to the statutory strategies prepared by the Mayor of London under the Greater London Authority Act 1999 (as amended by the Greater London Authority Act 2007). However, there are particular statutory requirements in relation to some strategies which may be applicable to Sustainable Community Strategies:

- LDF documents – including any core strategy incorporated into a Sustainable Community Strategy – must be in general conformity with the Mayor's Spatial Development Strategy (Section 333D(2) of the Greater London Authority Act 1999 and 2007);
- Any local housing strategy prepared by the borough – including any statements of housing policy in a Sustainable Community Strategy – must be in general conformity with the Mayor's London Housing Strategy (Section 24(1)(b) of the Planning and Compulsory Purchase Act 2004).

Local and neighbourhood plans

3.21 Many Town and Parish Councils, and other groups in rural areas have developed Parish Plans³³ with their communities and local partners, which are similar in scope to Sustainable Community Strategies. In other areas Neighbourhood Action Plans³⁴ fulfil a similar function. These can be valuable for informing the development of Sustainable Community Strategies or acting as local delivery plans for the LAA.

Other statutory plans

3.22 Following the rationalisation of local authority plan requirements as a result of commitments in the 2001 Local Government White Paper, there are significantly fewer plans that local authorities are required to prepare. The

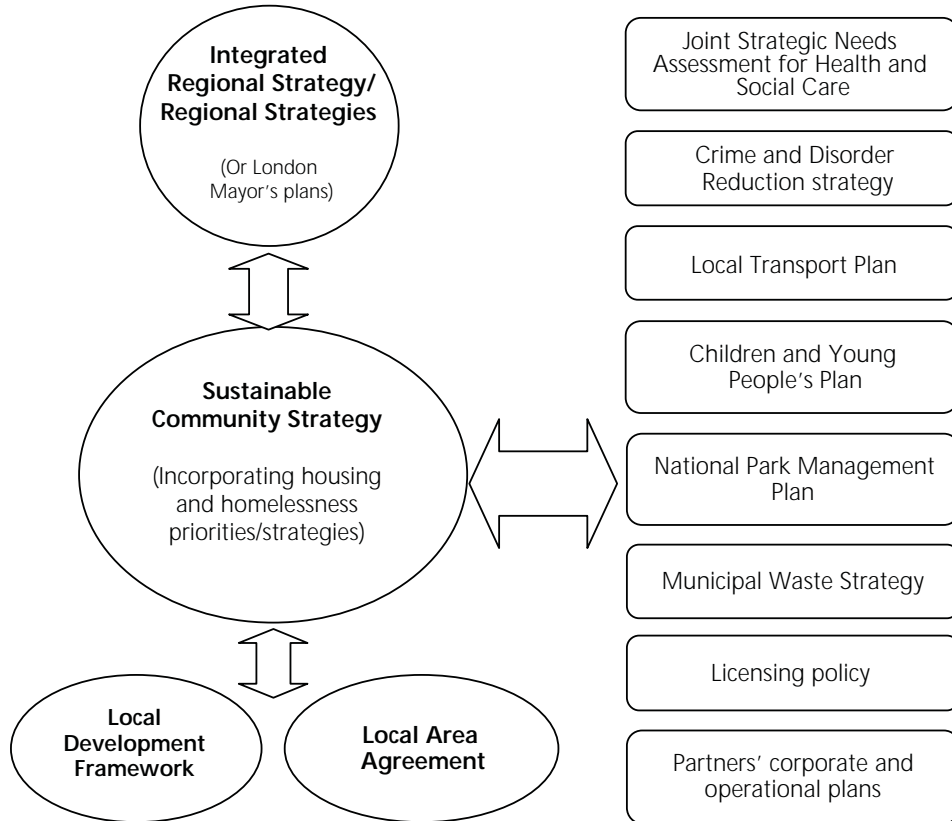
32 http://www.hm-treasury.gov.uk/spending_review/spend_csr07/reviews/subnational_econ_review.cfm

33 <http://www.defra.gov.uk/rural/communities/parish-planning.htm>

34 <http://www.renewal.net/toolkits/LSPDeliveryToolkit/> Details of Neighbourhood Action Plans can be found as part of the LSP toolkit

remaining **statutory** plans and policies that local authorities and LSPs will need to consider are illustrated in figure two below:

Fig 2: Summary of relationship between Sustainable Community Strategy and the remaining statutory local and regional plans



How do Sustainable Community Strategies work in multi-tier areas?

3.23 The requirement to prepare Sustainable Community Strategies applies to both district and county councils. Section 101 of the Local Government Act 1972 permits an authority to discharge any functions jointly with another. Most district partnerships have prepared their own community strategy; others have prepared joint strategies with other district areas; some have contributed to overarching county-wide strategies and not prepared their own. Some county partnerships have not prepared their own strategy but have contributed to district strategies.

3.24 With the advent of Local Area Agreements, we would expect at a minimum there to be an agreed county-wide set of priorities. This would sensibly be set out in a county-wide Sustainable Community Strategy.

3.25 Each county and district council, having consulted its LSP, must decide for itself which models they wish to adopt, but authorities should consider priorities in existing local Sustainable Community Strategies and other plans when undertaking the next iteration of their strategy. In particular county tier partnerships, in negotiation with their district counterparts, must be able to demonstrate how they have taken account of individual district characteristics and objectives when setting priorities in the county tier's strategy. This will be particularly important as it will be possible to set both district and sub-district-level targets in LAAs (*see the Operational LAA Guidance*³⁵ and *the National Indicators Handbook of Definitions*³⁶ for more details on the different spatial levels at which the indicators have been set and disaggregated targets).

Reviewing or refreshing Sustainable Community Strategies

3.26 Sustainable Community Strategies will need to be reviewed and refreshed over time. It is possible for Sustainable Community Strategies to be revised in stages, so if only one or two themes need revisiting, these chapters can be drawn up while the remainder of the strategy stays in place. However as it is the strategy that underpins the LAA, we would expect at a minimum that, prior to each annual review of the LAA covering their area, LSPs to review the evidence and the priorities contained within their Sustainable Community Strategy so as to ensure that the priorities still accurately reflect the needs of the locality.

The duty to produce a Joint Strategic Needs Assessment

3.27 Section 116 of the Act introduces a new requirement for PCTs and responsible local authorities to produce a Joint Strategic Needs Assessment (JSNA) of the health and social care needs of their local community.

3.28 This assessment will be the means by which they will describe the future health and social care needs of local populations. The assessment should cover those issues where the responsibilities of PCTs and local authorities overlap or where one organisation in carrying out its functions impacts to a significant extent on the other organisation's functions. A commencement order will be laid to ensure that the duty on local authorities and PCTs to prepare a JSNA will commence on 1 April 2008.

³⁵ Development of the new LAA Framework Operational Guidance 2007 (Nov 2007), HMG.

³⁶ National Indicators for local authorities and local authority partnerships 2007/08: Handbook of definitions. www.communities.gov.uk/publications/localgovernment/indicatorsdefinitions

3.29 The JSNA will need to consider the needs of the population living within the boundaries of the upper tier local authority or unitary council. In two-tier local authority areas, upper tier local authorities will need to consult with those district councils within their geographical area. In order to provide a firm link between the results of the JSNA and the Sustainable Community Strategy of each local authority, PCTs within a local authority's geographical boundary should feed into a single assessment.

3.30 It is expected that the JSNA will be carried out jointly by the Director of Public Health, the Director of Adult Social Services and the Director of Children's Services.

3.31 The JSNA should be taken into account by the upper-tier local authority in its preparation of the Sustainable Community Strategy. As the overarching strategy for the area, the issues identified in the Sustainable Community Strategy will then inform the priorities and targets in the LAA.

3.32 More detailed information to help local authorities and Primary Care Trusts carry out effective JSNAs will be provided in non-statutory guidance which will be issued by the Department of Health shortly. This guidance will further develop the annex from the *Commissioning framework for health and well-being*³⁷ and will take into account responses to the consultation.

37 http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_072604

4

Agreeing priorities for an area

Local Area Agreements

4.1 The LAA sets out the ‘deal’ between central government and local authorities and their partners to improve services and the quality of life in a place. As such, the LAA is also the shorter-term delivery mechanism for the Local Strategic Partnership’s Sustainable Community Strategy. The Sustainable Community Strategy provides the story of the local area and should therefore articulate the longer term ambition, evidence and rationale beyond the focus of a three-year LAA. Responsible authorities are required by section 106(2)(c)(i) of the Act to have regard to their Sustainable Community Strategy when preparing their LAA.

4.2 This section of the statutory guidance sets out the long-lasting expectations being placed on responsible and partner authorities of the LAA process as a result of Part 5 of the Act. *For the precise parameters of the 08/09 LAA negotiation (including details of the indicator set, timetable, financial arrangements etc) see the LAA Operational Guidance.*³⁸

Preparing a Local Area Agreement

The role for ‘responsible local authorities’

4.3 This section relates to the following local authorities, which are defined in Chapter 1 of Part 5 of the Act as *responsible local authorities*. They are:

- County Councils
- Unitary District Councils
- London Boroughs
- Council of the Isles of Scilly
- Common Council of the City of London

4.4 Responsible local authorities must prepare an LAA when directed to do so by the Secretary of State. In doing so, they must take the following steps:

Consult and co-operate with each partner authority (listed at para 5.4).

4.5 The aim of the duty to consult and co-operate in determining LAA targets is to involve all partner authorities in identifying the right mix of targets for a draft LAA based on the agreed evidence-base and longer-term priorities in the Sustainable Community Strategy. The responsible local authority must consult all partner authorities (see paragraph 5.4) which act

³⁸ Development of the new LAA Framework Operational Guidance 2007, HMG.

or are established in their area or in the case of NHS Trusts and NHS Foundation Trusts, provide services from a facility in the area. In order to sensibly reach agreement on the most appropriate set of targets, the responsible local authority should work through the LSP and its thematic partnerships to collectively agree a shared set of priorities for the LAA. The responsible local authority should then work with individual partner authorities to determine how each target is drafted.

4.6 In essence fulfilling this particular duty in determining targets is not an additional discrete task for either the responsible authority or their partners but should be viewed as part of the core partnership working of the named public agencies (see also para 6.2 on implications of having regard to LAA targets).

4.7 In two tier areas, there needs to be close co-operation between counties and districts in assessing local priorities.

Consulting non-partner authorities – involving local residents and the local third and business sectors

4.8 Responsible local authorities are required in the Act to ‘consult such other persons as appear to it to be appropriate. In doing so, it is for responsible local authorities to use their discretion in deciding which non partner authorities to consult, but they should aim to be inclusive of all bodies that could meaningfully contribute to the preparation and attainment of LAA targets. Therefore the Government believes that in fulfilling this duty they should consider consulting:

- other persons and organisations, including those from parish councils and/or representative organisations of the **local business and third sectors**.
- **local citizens** in line with existing duties regarding the transparency of decision-making (see Part 5A of the Local Government Act 1972) and new duties under the Best Value duty to involve (see section 2).
- those **partner authorities which are not established in their area**, but which do take decisions that affect people in their area, for example, a NHS Trust providing services to local residents from facilities operating beyond the local authority boundary.
- **other bodies** (where appropriate) which provide key services to the public but which are not partner authorities e.g. utilities, universities, colleges and Registered Social Landlords.
- neighbouring local authorities to address cross-boundary issues.

The negotiation

The processes that need to be agreed locally

4.9 It is through the negotiation process that the new duties to consult and co-operate will be discharged. Before negotiations begin a clear process is needed which is understood by all partners. LSPs should agree the key milestones, time-scales and governance structures, asking what needs to be decided, when, by whom/what level, how and what support is needed? LSPs need to agree the process and timetable well in advance of negotiations so that all partners feel they have sufficient opportunity to influence the negotiations.

4.10 The convening role of district councils during negotiations is broadly the same as for county and unitary councils, i.e. that locally elected representatives should take a wider view of the needs and challenges facing their areas, and bring a steering and influencing role to all the various local partnership tables at which they sit.

The role for the responsible local authority during the negotiations

4.11 As the body responsible for preparing the LAA, the upper tier local authority must seek to achieve collective consensus via its LSP to the content of the LAA for the area. At the end of the process, when giving its formal approval to the final LAA, the upper tier local authority must satisfy itself that the targets within the agreement reflect the right balance and level of ambition. They must also ensure that in co-ordinating the negotiation and decision-making processes that it is meeting all the normal requirements of local government legislation.

Public routes of redress

4.12 If citizens are unhappy with the way priorities are set within a LAA, complaints or efforts to seek redress (such as involvement of the Local Government Ombudsman) may start with the upper tier local authority, as the responsible local authority. But the outcome will need to take account of the context of partnership working, and the roles of different partners.

Submitting the draft LAA to the Secretary of State

Deciding which targets relate to it

4.13 Before submitting the draft LAA, the responsible local authority will need to decide which targets 'relate' to it. In practice this means which targets the responsible local authority is going to sign up to help deliver. Section 105(2) of the Act states that a target will relate to a responsible local

authority if any of the functions or anything done by the responsible local authority, could contribute to the attainment of the target.

Obtaining council approval for the draft LAA

4.14 Having followed these steps and consulted and co-operated with partners through the extensive negotiations to agree a draft LAA, the responsible local authority will need to formally approve its LAA prior to submitting it. The process and timetable for sign-off will be set out as necessary in non-statutory operational LAA guidance.

4.15 It is our intention to amend the Local Authorities (Functions and Responsibilities) Regulations 2000 SI 2000/2853 to ensure that the LAA will need to be approved by full council. This requirement mirrors those procedures for similar local authority plans including the Sustainable Community Strategy. In areas with both district and county councils – it will be at the discretion of the individual district councils as to whether they choose to formally adopt those targets they are signing up to prior to the whole Agreement being formally adopted by the county council on behalf of the LSP.

4.16 In accordance with section 106 of the Act the draft LAA must set out at a minimum:

- a. the proposed local improvement targets;
- b. which persons will be helping to deliver each target;
- c. the period for which the LAA is to have effect.

The approval and designation process and the role of the Secretary of State

4.17 It is at the discretion of the local partners to agree how many local improvement targets are contained within the draft agreement and it is these targets which will be subject to formal designation by the Secretary of State. When submitting their draft LAA for approval, the responsible authority in consultation with its local partners and the Government Office will have already highlighted those local improvement targets which it anticipates the Secretary of State will want to 'designate'. Once the draft LAA has been submitted to the Secretary of State he will formally consider the draft to ensure he is content. Following consideration and clearance through Cabinet Committee, the Secretary of State will then formally approve the draft LAA and designate the appropriate local improvement targets. The maximum number of local improvement targets to be

designated in each round will be set out as necessary in operational guidance. *For the upper limit for 08/09 see the LAA Operational guidance.*³⁹

4.18 In the unlikely occasion that the Secretary of State is not content with an individual draft LAA, he may request a modification of the draft LAA by the responsible authority and its partners. This scenario is expected to arise very infrequently as the draft LAA will have been subject to the detailed negotiation described above and will be based on the sound evidence base within the Sustainable Community Strategy. *The process for formally approving an LAA at Ministerial level using the Cabinet Committee system will be set out as necessary in operational non-statutory guidance.*

The distinction between designated and non-designated targets

4.19 In legal terms, the distinction between designated and non-designated targets is the circumstances under which they may be amended. Targets that have been designated by the Secretary of State, either following the submission and approval of the draft LAA or as part of a revision proposal, may not be altered without the agreement of all partners signed up to the target and the Secretary of State (see paragraph 4.24). By contrast non-designated targets may be amended or dropped without the approval of the Secretary of State – with only the agreement of the relevant partner authorities and having consulted those who have agreed to help deliver the target on a voluntary basis. However, in practice in either case we would also expect any major revisions to the balance of targets within an LAA to be discussed by the LSP board.

4.20 As a matter of practice the responsible authority and its partners will be required to report to central government the progress they have made towards achieving targets that have been designated. These designated targets will be tied to indicators contained within the national indicator set.⁴⁰ Non-designated targets will not be reported on to central government, but as they will be of key importance locally, progress towards meeting them will be taken into account as part of the Comprehensive Area Assessment.

Equality of status between designated and non-designated targets

4.21 Despite the different procedures for amending designated and non-designated targets they are of equal importance to local authorities and their partners and as such carry the same legal weight i.e. partner authorities and the responsible authority will be required to have regard, in the exercise of

³⁹ Development of the new LAA Framework Operational Guidance 2007, HMG.

⁴⁰ National Indicators for Local Authorities and Local Authority Partnerships: Handbook of definitions.

their functions, to both designated and non-designated targets which they have signed up to help deliver.

Revising an LAA

4.22 Throughout the life-time of each LAA, local improvement targets may be revised by partners under different procedures depending whether or not the target has been designated. There are also additional procedures for adding further local improvement targets to the agreement.

4.23 Non-designated local improvement targets within the approved LAA may be amended or removed from the LAA by the responsible authority, although not within the first month of approval of the draft LAA. The responsible authority must have the consent of each partner authority to whom the target relates before they may amend or remove a non-designated local improvement target and must also consult any other non-partner authorities to whom the target relates (see section 110(2) and (4) of the Act). There is no role for the Secretary of State within this procedure. A responsible local authority may add further local improvement targets to the LAA at any stage of the life of the agreement with the consent of partner authorities who intend to sign up to the new targets and participate in helping to deliver them, see section 110(6) of the Act.

4.24 Designated targets within an approved LAA may also be revised either at the initiation of the responsible authority or at the initiation of the Secretary of State. A 'revision' of a designated target may be to change or remove an existing designated target. This is done through a revision proposal (see section 111 of the Act). The revision proposal must outline the changes that are being proposed and whom the revised target is to relate to (i.e. the persons who have consented to helping to deliver the target). As with the procedure followed during the drafting of the LAA, the responsible local authority must consult each partner authority and any other persons who appear appropriate. The same duty of co-operation, in agreeing changes to or the removal of targets, also applies, as does the requirement on the responsible local authority to have regard to its Sustainable Community Strategy and the requirement on the responsible local authority and partners to have regard to any guidance issued by the Secretary of State. Once the revision proposal has been submitted to the Secretary of State, he may then either:

- approve the revision proposal;
- reject the revision proposal;
- request it to be revised further (although only if he had originally directed the revision)

4.25 Any modifications to the LAA, whether they are amended or new local improvement targets, or revised designated targets, trigger the duty to publish information on the LAA as set out below.

The duty to publish information about a LAA

4.26 Section 113 of the Act places a duty on the responsible local authority to publish a *memorandum relating to the LAA* which must contain the following information:

- The period of time for which the LAA has effect;
- A description of each LAA target;
- Whether each target is designated or not;
- Which partners have a statutory duty to have regard to those targets (this can only apply to partner authorities and the responsible local authority);
- Which partners have agreed to help deliver a target on a voluntary basis (this can not apply to partner authorities or the responsible local authority)

4.27 This *memorandum relating to the LAA* must be published whenever a target is designated, changed, added or removed.

4.28 Local authorities and their partners should view the LAA as an opportunity to present to local citizens a clear statement of how the partners are going to tackle and measure progress against the identified targets. They should therefore, as a matter of good practice, go beyond the statutory requirements set out above to ensure that the LAA is publicly available and communicated actively and in an accessible way throughout its life and that progress in delivering the targets is clearly communicated to citizens (thereby providing a clear way in which the local authority can demonstrate it is acting to discharge the new duty to involve).

5

Agreeing the priority outcomes for an area – the role of local partners

Partners and their role in shaping their locality

5.1 This section is intended for all partners interested in co-operating with local authorities and being involved in shaping their locality, including:

- Partner authorities subject to the statutory duty to co-operate;
- Other public bodies; and
- Local businesses and third sector organisations.

5.2 Working in partnership will bring considerable benefits to partners who have an interest in improving the wellbeing of local communities. Co-ordinated planning and delivery will lead to better outcomes for communities and greater efficiencies for partners. Partners should therefore seek to use the framework set out in this guidance to:

- Co-operate with local authorities and other partners through the LSP;
- Influence the shape of the SCS and LAA;
- Agree where appropriate to help deliver LAA targets.

5.3 This section should be read in conjunction with (sections 3 and 4). It deals firstly with the expectations on bodies subject to the duty to co-operate to determine targets and secondly with the opportunities available to bodies that wish to take part on a voluntarily basis.

Statutory ‘partner authorities’ and the duty to co-operate to agree targets

5.4 This section relates to the following list of bodies and persons, which are defined in the Act as *partner authorities*:

- Arts Council
- The Broads Authority
- Chief Officer of Police
- District authorities
- English Heritage
- The Environment Agency
- Fire and rescue authorities
- Health and Safety Executive
- The Highways Agency
- Jobcentre Plus
- Joint Waste Authorities
- Joint Waste Disposal Authorities
- The Learning and Skills Council in England
- Local Probation Boards
- Metropolitan Passenger Transport Authorities
- Museums, Libraries and Archives Council
- National Park Authorities
- Natural England
- NHS Foundation Trusts
- NHS Health Trusts
- Police authorities
- Primary Care Trusts
- Probation Trusts and other providers of probation services
- Regional Development Agencies
- Sport England
- Transport for London
- Youth Offending Teams
- Any other organisations added by an order under section 104(7) of the Act

5.5 The Act is clear that these bodies and persons must be involved in helping to determine any target in the draft Local Area Agreement which will relate to it and in doing so must co-operate with the responsible local authority (see section 106(3)(a)) and have regard to this guidance (see section 106(3)(b)).

What constitutes co-operation?

5.6 The type of involvement that is appropriate is likely to differ depending on the body in question and the characteristics of the locality, therefore the details will need to be agreed between partners at the local level before the negotiation begins. Existing partnership structures may be sufficient or may need to be adapted to meet the requirements of the duty e.g. the LSP or relevant sub-partnerships could agree to meet more regularly in the run up to submitting their draft LAA. However, it may be that partner authorities are not currently part of these lines of engagement and need to review their existing partnership arrangements. In either case, the following standards are expected of partner authorities:

- Co-operation should take place through the LSP framework (this can be through the district LSP where that is appropriate) rather than just between individual partner authorities and their responsible local authority. This is because the majority of LAA targets are expected to be cross-cutting, therefore meaningful co-operation can only occur if all relevant partners are represented during negotiations. This should not prevent partners from conducting a portion of their deliberations through partnership arrangements at other spatial tiers where this might add to the wider negotiation of the full LSP;
- Staff with sufficient authority should be involved in negotiations. Partner authorities will only be able to co-operate effectively if representatives at negotiations are able to take key decisions and make commitments on behalf of their organisation;
- Co-operation should be a continuous process of planned engagement rather than a one-off event – partner authorities are expected to continue to be involved in determining the implementation arrangements for the LAA and the monitoring of progress against targets;
- The duty to co-operate applies to all local improvement targets in the draft LAA, not just for those which are likely to be national priorities and therefore become designated.

Consultation question: In defining the duty to co-operate it is important to strike the right balance between using this as the basis to create more effective partnership working locally and not being too prescriptive regarding processes. Have we struck the right balance in the draft guidance?

Other non-statutory partners

5.7 This section is for partners who are not named as statutory *partner authorities* but who nevertheless wish to participate in the preparation and delivery of LAA targets.

5.8 As explained in section 4, under the terms of the Act, each responsible local authority must consult *such other persons as appear to it to be appropriate* in addition to the list of partner authorities. This is a broad definition intended to cover a wide range of bodies, including, but not exclusively:

- Public sector bodies which are not named as partner authorities, such as parish and town councils
- Businesses and their representatives

- Third sector bodies and their representatives

5.9 Non-partner authorities are encouraged to sign-up to targets which are relevant to them and to co-operate with other partners to help deliver against those targets (although many of the means of supporting delivery of individual LAA targets by local and third sector organisations will be achieved through their contractual obligations with partner authorities).

5.10 Where possible, non-partner authorities should seek to observe the standards set out in paragraph 5.6 (dealing with ‘what constitutes co-operation?’).

5.11 Where a body wishes to participate in the negotiation of LAA targets but has not been invited to do so by the responsible local authority, they should inform the responsible local authority and/or any relevant partner authority at the earliest opportunity that they wish to be involved. It is the responsibility of the LSP and in particular the responsible local authority to ensure in so far as possible, that all partners have an opportunity to influence decision-making and delivery (see the section on the duty to consult at section 2 and the section on the key principles for the governance of an LSP at paragraph 2.6).

5.12 In recommending to the Secretary of State that a draft LAA is approved, the Government Office will wish to be in a position to say all partners were given an adequate opportunity to influence the setting of priorities.

Which targets ‘relate’ to each partner?

5.13 Section 106 (1) of the Act requires that when the draft LAA is submitted to the Secretary of State, it must specify for each local improvement target, which persons the target ‘relates’ to (‘persons’ can mean either partner authorities or non-statutory partners). This means that it must be clear who has signed up to help deliver each target.

5.14 Section 105(3) of the Act allows partners to decide for themselves which targets in the draft LAA will relate to them, but in doing so, they should consider all targets to whose attainment they could contribute. In practice this may include targets that are not immediately obvious or part of that partner’s core business, but where signing up to that target assists other partners in meeting a key local objective.

6

Delivering priorities

The overarching role of the LSP

6.1 Section 2 explained that it is the role of LSPs and their thematic partnerships to collectively shape and steer the strategic commissioning of local services across their locality, turning the long term vision set out in the Sustainable Community Strategy and LAAs into reality. An effective approach to delivering this shared vision includes:

- co-operation taking place through the LSP framework as part of a continuous process of planned engagement rather than a one-off event
- establishing an shared understanding of the totality of resources that local partners can bring to bear;
- sharing information,
- identifying what works and what does not in terms of service provision,
- exploiting opportunities for economies of scale and service-sharing; and
- creatively stimulating delivery capacity from all partners (including through market shaping)

The practical implications of 'having regard' to local improvement targets in the exercise of functions

6.2 In particular, responsible local authorities and partner authorities are required to 'have regard' to all those targets which they have signed up to within the LAA i.e. those targets which then 'relate' to them (whether they have been designated or not). In order to fulfil this requirement we expect responsible local authorities and partner authorities to be able to demonstrate how they are effectively planning for the implementation of their contribution to the achievement of those targets to which they have signed up. More specifically we will expect:

- responsible and partner authorities to clearly establish the link/s between all local improvement targets that relate to them in their relevant business planning and performance management processes.
- that relevant LAA targets will be clearly but proportionately reflected within each individual partner authority's local regional or sub-regional resource allocation.
- that the staff of responsible and partner authorities are made aware of any pertinent LAA priorities and where appropriate that these are reflected in the setting of senior staff performance management objectives.

- the LSP board and its thematic partnerships to collectively oversee progress towards delivery against all targets in the LAA based on existing data and information provided by individual partners

Data sharing

Data-sharing will also be an important element to partnership working and is critical for achieving success in initially setting the right targets (i.e. ones which address the real needs of the area and are realistic but challenging), ensuring they continue to be the right targets and checking progress against their delivery. Initially, responsible authorities and partner authorities should ask themselves:

- Does the purpose for sharing information directly relate to the setting, monitoring or achievement of one or more local improvement targets?
- Is it explicitly prohibited in other legislation?
- Are there explicit limitations and restrictions in other legislation?

If the answer to the first question is 'Yes' and to the next questions 'No', then LAA partners can continue with the proposed action subject to the third question. The Data Protection Act 1998 applies limitations to the use and sharing of personal data but it does not prohibit the sharing and use of personal or anonymised information as a general rule. Local Authorities should have regard to this guidance and to other guidance produced by the Government on the sharing and use of information.

Consultation question: In defining the implications of 'having regard to local improvement targets' it is important to strike the right balance between using this as the basis to ensure clear accountability and a greater likelihood that these targets will be met without being too prescriptive regarding processes. Have we struck the right balance in the draft guidance?

Securing positive outcomes and best value through commissioning

6.3 Local authorities and other *best value authorities*⁴¹ are under a general duty of best value⁴² to "*make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.*" The duty of best

41 a local authority; a National Parks authority; the Broads Authority; police and fires authorities, the London Fire and Emergency Planning Authority; a Waste Disposal Authority, Joint Waste Authority, a metropolitan county passenger transport authority; Transport for London; the London Development Agency. See Section 1 of the Local Government Act 1999.

42 Section 3 of the Local Government Act 1999.

value remains at the heart of the new performance framework, although the requirements to produce annual Best Value Performance Plans and conduct Best Value reviews have been removed.

6.4 To fulfil the duty of best value, authorities should seek to achieve a balance between competing pressures. Such pressures include in particular:

- Responding to the needs of all sections of the community;
- Seeking to address the whole-life costs of decisions, focusing on early intervention and achieving sustainable outcomes;
- Exploiting economies of scale; and
- Achieving locally-responsive services.

6.5 Achieving the right balance will require – as set out above in section 2 on the duty to involve – appropriate consultation and involvement with representatives of local people including potentially the local authority's own workforce, and – where there is an impact upon LAAs – also require consultation with the relevant partner authorities.

Consultation question: Does this section provide sufficient clarity on the trade-offs that best value authorities must make when seeking to provide both quality services to local communities and value for money to the taxpayer?

The commissioning role of Local Authorities

6.6 Local authorities will generally be better able to meet their best value duty by adopting a commissioning role. The commissioning role is one in which the authority seeks to secure the best outcomes for their local communities by making use of all available resources – without regard for whether services are provided in-house, externally or through various forms of partnership. Commissioning involves:

- user and community engagement and needs analysis;
- strategically planning for services which deliver sustainable outcomes;
- implementing plans, shaping markets, securing services and outcomes;
- monitoring the delivery of outcomes, evaluating and challenging services;

Adopting such a role enables local authorities to:

- create a clear separation between commissioning and service provision, allowing authorities to champion the interests of citizens and to promote service improvement;
- seek opportunities for joint commissioning across local statutory bodies;
- focus on understanding what communities need, and so to challenge existing service provision;

- avoid silos, and be creative in seeking opportunities to achieve cross-cutting objectives through mainstream services.

Putting people and places at the heart of commissioning

6.7 Earlier sections of this guidance have set out the ways in which local authorities should seek to involve service users and local communities: such an approach is relevant throughout the commissioning cycle.⁴³ Increasingly, such involvement should deepen to the extent that local communities become co-producers of the services and outcomes they want to see. This could include participatory, community-led or individual or family budgets, or active participation in service delivery, or the management and ownership of assets (see Quirke Review for more details⁴⁴). Authorities should also involve front-line staff in the commissioning of services, making use of their commitment and expertise.

Consultation question: We want to place service users and communities at the heart of commissioning. Do you believe that the guidance given, here, together with that on the new duty to involve in section 2 work together to help achieve that ambition?

A Mixed Economy of Service Delivery

6.8 Local authorities should recognise and embrace diversity in the ways services are provided, with the focus on desired outcomes and not on whether the service is delivered by the public, private or the third sectors. The range of delivery mechanisms includes:

- joint working with other statutory bodies;
- partnerships with the local business and third sector;
- intervening to make local markets more effective;
- co-production with service users and communities of interest and place;
- contracting with providers in the public, private and third sectors; and
- securing services through service level agreements with an in-house provider.

6.9 While local authorities have discretion over how individual services are to be provided, best value is more likely to be achieved where there is a positive approach to achieving a mixed economy, rather than where any one supplier dominates the provision of services in an area. Developing choices requires a sound knowledge of the available sources of supply and the

⁴³ Gather and analyse intelligence on need, supply and resources; establish priorities and service options; engage capacity to deliver and secure services; monitor, review, improve/decommission.

⁴⁴ www.communities.gov.uk/publications/communities/makingassetswork

capabilities of service providers. Local authorities have a key role to play in shaping the local public service markets through dialogue and procurement to stimulate providers to develop innovative solutions.

Open and Fair Competition

6.10 Local authorities should represent the interests of citizens, service users, and their communities by:

- ensuring decisions about using public money are based upon an objective assessment and accurate information;
- taking steps necessary to avoid conflicts of interest for example, when determining the way in which to award a contract when their own organisation is in competition for the right to run a service through a public procurement;
- adopting practices that are fair and open i.e. neutral between different types of providers and transparent on pricing (including in cases where they are operating in direct competition in a local market); and
- ensuring that any procurement decision, including retaining services in-house, is undertaken and justified in an open and transparent way regardless of whether a full EU Procurement exercise is involved.

6.11 Local authorities need to understand and manage the cost effectiveness of each part of their delivery chain where public resources have been invested, whatever the formal arrangements for the management of that service might be, so as to ensure best value. Local authorities, for their own services (including those externally provided) should:

- regularly and rigorously assess and review the competitiveness of those services against similar services provided by other statutory bodies, local authorities or other service providers;
- where these services are found to be under-performing in comparison with others they should reevaluate the need and priorities for that service; and
- where service improvement is unlikely to be forthcoming within a reasonable period of time or unlikely to match what could be provided by alternative providers, local authorities should seek new supply arrangements through, wherever practicable, fair and open competition.

Supporting providers and sustainable funding

6.12 In taking a long term sustainable perspective on best value, local authorities will need to consider appropriate measures to support and incentivise service providers, including in-house teams and partners. Such measures are likely to include linking payments to performance outcomes –

especially the achievement of user satisfaction. Where possible, local authorities should look to provide longer-term stability of funding and contracting to enable more efficient planning by service providers, regardless of their sector.

6.13 Local authorities should be sensitive towards the capacity of both small and medium enterprises and their counterparts in the third sector, and work to establish practical measures which will maximise their capacity to deliver community outcomes. For grant-funding the starting point, subject to overall affordability and purpose, should be three years (or more). Though in all cases, the particular conditions attached to payments, incentives or to length of contract or grants should be determined according to the duty to achieve best value.

Consultation question: The commitment to three year grant funding for partners in third and business sectors is important. Have we struck the right balance between using this guidance to strengthen that commitment and not being too prescriptive regarding process?

Delivering the right outcomes over time

6.14 To achieve the right outcomes for people and places, there needs to be timely monitoring, review and measurement of progress against targets. As stated in section 2, LSPs collectively will need to review progress against the priorities agreed – to assess whether the activities undertaken by their members have resulted in the desired outcomes and where this is not the case, steer the appropriate changes to plans and interventions. The views of local communities themselves will of course be central to assessing if desired outcomes have been delivered and/or whether or not there needs to be a change in focus.

