



Office of the
Deputy Prime Minister

Creating sustainable communities

Local Area Agreements

Advice Note 1

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Introduction

1. In the Local Area Agreements (LAAs) Prospectus, published on 27 July 2004, the Government set out the key aim of LAAs, to improve both the effectiveness and the efficiency of the way in which Government works with local authorities, and their delivery partners, to improve public services. The 21 areas selected to pilot LAAs were announced on 4 October 2004.
2. This is the first in a series of advice notes that we will be producing. It is not meant to be prescriptive, rather to enable local areas in the negotiation of their LAA. It has been produced in consultation with the pilot areas themselves, the Local Government Association (LGA), Government Offices (GOs) and other government departments. We will be working with these stakeholders to develop further advice notes on other aspects of the process such as monitoring and reporting, and more technical issues such as the payment of grant and auditing arrangements.
3. This note should provide areas with the information necessary for negotiations to take place. It covers partnerships, roles and responsibilities, both in the GO and local area; an outline of the negotiation process, including an indicative timetable; details of what a final LAA will look like; details of funding streams and outcomes; details of support that will be available to authorities and links with other initiatives, particularly 2nd Generation Local Public Service Agreements (LPSAs), Neighbourhood Renewal Fund (NRF) and Rural Pathfinders.
4. Before looking at these specific issues, there are some more general points on LAAs that need to be made. The first of these concerns the length of the agreement. We are working on the assumption that negotiations will initially set three year targets, but that these targets can, if necessary, be reviewed each year on a rolling basis as part of an annual review process that will ensure that the agreement continues to reflect local and national priorities. The intention is that this will enable, for example, the negotiation of an authority Local PSA to happen taking account of their LAA. In addition to reviewing existing targets the annual review can set additional targets on a rolling three year basis. Whilst this is our preferred option, if there are local circumstances that suggest setting initial targets of a different length this is something we would be happy to discuss during the negotiations.
5. The second general point concerns the scope of the Agreement. In discussions with pilots there has been some concern that LAAs are not dealing with the sustainable communities and regeneration agenda and that this is the “missing fourth block”. Our view is that all three blocks of the LAA are key to developing sustainable communities, which embody the principles of sustainable development. Pilot areas are encouraged to make the necessary links between local social, environmental and economic issues within each LAA theme in order to fully embrace this opportunity to make long term and sustainable improvements in outcomes. The NRF and Local PSAs, which cut across and go beyond all three blocks will of course also contribute to the social and economic regeneration of the area. It is for pilot areas to engage with relevant partners to consider their proposals. It is important to note that, whilst the LAA is structured around the three blocks, local areas are encouraged to come forward with outcomes that both cut across these blocks and promote synergies between them. These might be achieved for instance through cross cutting themes such as community cohesion or race equality and developing specific cross-cutting outcomes.

Partnerships, roles and responsibilities

6. In the spirit of the LAA Prospectus, we are not seeking to be prescriptive about the approaches pilots may adopt. We are committed to local flexibilities rather than a “one size fits all” approach.
7. However, through our discussions with government departments, regional offices and pilots, we understand that it may be helpful to provide a steer about partnerships, roles and responsibilities to best enable the commencement of negotiations.
8. Below we set out some considerations and principles about partnership working we believe would be of assistance. In addition, we detail the different stakeholders that pilots may seek to engage with during the negotiation process and their respective roles and responsibilities.
9. The Prospectus has set out that LAAs should be taken forward by local authorities and Local Strategic Partnerships (LSPs) and that engaging partners fully in the LAA process is a pre-requisite to a functioning agreement. It is important that local authorities together with LSPs play a strategic role in the negotiation and delivery of the LAA. They will be responsible for ensuring that those agencies that will be involved in delivering the key outcomes, including children’s trusts, Children and Young People Strategic Partnerships and the Voluntary and Community Sector (VCS), are fully engaged in negotiations. Arrangements for how LSPs will demonstrate that all appropriate partners are involved in negotiations will need to be determined by the GO.
10. In some areas, it will be possible to build on existing partnership arrangements where these are effective. However, for some, the pilot process will provide an opportunity for local partners to review current arrangements and develop new arrangements as necessary to ensure that their LSP and its subsidiary arrangements are sufficiently robust to drive, in partnership with the local authority, LAAs and local delivery more generally.
11. Some pilots areas are adopting the Local Public Service Board (LPSB) approach¹ which has been developed through the Innovation Forum (of councils deemed excellent through CPA) and the LGA. It is for the partners in each pilot area to decide for themselves what arrangements are most appropriate to secure effective delivery. In all areas the partners should agree and specify who is responsible for delivering outcomes.

LAA stakeholders

12. Government departments have been working with GOs to identify the key stakeholders we would expect to see involved in the negotiation process. We have also sought to set out the roles and responsibilities of each stakeholder and how to ensure links are made to other negotiations taking place. The details below are not exhaustive as each locality will present a unique set of relationships.

1 For more information on LPSBs see the prospectus.

Local Authorities and Local Strategic Partnerships

13. The local authority will be responsible, in partnership with the LSP, for driving the LAA, ensuring delivery of outcomes and establishing (in negotiation with GOs and other partners) a comprehensive performance management framework. Constituent bodies of LSPs usually include public sector agencies such as the local authority(ies), the police and health (primary care trusts). Other partners may include the VCS, (usually through community empowerment networks in the 88 Neighbourhood Renewal Areas (NRA)), the business community, Crime and Disorder Reduction Partnerships, Drugs and Alcohol Action Teams, Jobcentre Plus, Children's Trusts/Children and Young People's Strategic Partnership Board, the Learning and Skills Council and Regional Development Agencies. It will be a matter for local discussion and decision which agencies should be involved, with the onus on inclusivity.
14. For two tier areas, there is no doubt arrangements will be more complicated as there may be a number of LSPs and community strategies. However, LAAs provide a real opportunity to improve relationships between county and district councils and the scope to direct funding more effectively across a locality to target priorities for local people. Pilot areas will have to work hard to identify and agree shared priority outcomes and any agreement will need to demonstrate that there has been engagement with district councils and their partners, including amongst others CDRP. We expect pilot areas to set out in their agreement the particular contribution each partner will make to the agreed outcomes and what level of funding they will receive.
15. In two tier areas county LSPs should lead the negotiations having demonstrated proper engagement with District LSPs and their partners to agree priority outcomes.

Voluntary and Community Sector

16. We envisage that successful LAAs will ensure the involvement of relevant stakeholders including in particular the VCS in helping to identify, shape and deliver local services.² The LAA should include a statement of the involvement of the VCS in the design and delivery of the agreement and how this builds on the infrastructure or capacity building services being developed through *change up*³, where relevant and the capacity building support provided through "Firm Foundations".
17. Local compacts form the basis of the partnership relationship with the VCS. The application of Compact principles during negotiations will strengthen LAAs. In two tier areas most compacts are with the district level, which reinforces the need for the county to ensure districts are fully engaged. For areas in receipt of

2 A key requirement of the SR 2002 cross cutting review of the VCS.

3 ChangeUp is the Capacity Building and Infrastructure Framework for the Voluntary and Community sector, published by the Active Community Unit in June 2004.

NRF, there is a requirement for LSPs to be inclusive. In seeking engagement from the VCS and other agencies in the LAA, it is important to reflect the diversity and cohesion of groups living in the area.

Government office

18. The GOs will be central government's representative and be responsible for overseeing the negotiations and brokering the LAA, as well as monitoring agreements and providing support.
19. Specifically, the Regional Director (RD) will be responsible for ensuring coherency between the discrete conversations that take place during the negotiation phase (see below for further details). S/he will also be responsible for recommending the LAA for signature by Ministers and for this reason, must be satisfied that there has been full engagement of all relevant partners. In some cases, the RD may chair a cross GO programme or project board to oversee the pilot processes which would include a range of regional departmental representatives. We would expect this to include Treasury, Department for Transport, Health (see below for further details), DfES (see below), Home Office (see below), Department for Work and Pensions, DEFRA and DCMS. Furthermore, the lead GO directors will have specific responsibility for individual pilot areas.

DfES

20. There is an expectation that LAAs will be an integral part of a local area's approach to improving outcomes for children and young people. As such, we are keen to integrate LAAs into the improvement cycle for children's services, including a good fit with the statutory Children and Young People's Plan, so that they are mutually reinforcing. The priorities conversations which are being arranged with pilots will discuss the fit between national and local priorities and the local area's Children and Young People (CYP) block proposals.
21. As indicated above GOs will take a lead in the overall LAA negotiations. The CYP priorities conversation will be led by a strategic adviser and will involve GO representatives; fieldforces and policy teams should also be involved in negotiations as appropriate. We would also expect children's trust partners to be involved fully in LAA negotiations. Local areas should also consider how to involve schools in their agreements.

Health

22. At the local authority level, Primary Care Trusts (PCTs) are being asked to provide the operational lead in the development and delivery of the health elements, across all functional blocks, of the LAA. PCTs should work closely with the local authority and other LSP partners to develop the LAA, co-ordinate the contribution of other NHS bodies to the LAA, support the negotiation process, and implement the agreed LAA. PCTs will ensure the LAA process and the health Local Delivery Plan (LDP) processes are consistent with each other for clarity of expectations and accountability. Strategic Health Authorities (SHA) will manage the performance of PCTs on their agreed contributions to LAAs, to ensure delivery and accountability.

23. Regional Directors of Public Health will provide the Department of Health presence in the GO. They will also be a member of the GO negotiating team, responsible for advising on the health element of LAAs, supporting the negotiation process across all LAA functional blocks. SHA representation (relevant to the respective PCT(s)) on the GO negotiating team is critical: their key role is to enable delivery through performance management of PCTs; and to facilitate partnership working with the Regional Director of Public Health and the wider regional team.

Home Office

24. The Home Office Regional Director, the regional crime and drugs teams along with the Community Leads should be involved in GOs arrangements for negotiating LAAs. How their expertise is drawn together in an individual GO may vary but it is essential that their knowledge and expertise is effectively channelled. The Home Office would expect both its Regional Crime Director and Delivery Manager, where applicable, to sit on the GO LAA project board and play a key role in helping to develop the Home Office elements of the LAA pilots.
25. The Safer and Stronger Communities Fund (SSCF) guidance sets out those partners that the Home Office expects to be involved in the Safer and Stronger Communities (SSC) block, most notably crime and drugs partnerships and the VCS. Additional partners will have to be engaged if additional funding streams, not included in SSCF, are negotiated for inclusion.
26. LAAs present a significant opportunity towards empowering communities to take ownership of improved outcomes for their local area and as a means of encouraging greater active citizenship and more formal volunteering in civic life. The GO has a particular role to ensure that local agencies are building community cohesion and should identify those areas with community tensions and ensure that these are represented and addressed within LAAs, particularly within crime and regeneration outcomes.

DCMS

27. DCMS policy areas will be integral to and will greatly add value both to the delivery of individual LAA blocks and also to the overarching aims of the pilots as a whole. Culture, sport, heritage, tourism, libraries and the creative industries are everywhere helping to build happier, healthier and more sustainable communities, extending access and opportunity. As such the cultural and sporting sectors have the potential to contribute both to the achievement of other departmental strategic priorities and to weld together a multiplicity of local needs and aims.
28. DCMS does not have a direct funding or regulatory relationship with individual local authorities. Its key delivery agents at national, regional and local level are its numerous Non Departmental Public Bodies (NDPBs) and their regional structures are the primary tool for the delivery of policies and national targets in the regions.
29. When dealing with DCMS policy areas, the LAA team in each GO, and local areas should draw on the expertise of the DCMS GO representative who will be able to advise on the potential funding streams in their sector that could be included, and to act as a central coordinating point for discussions with the relevant NDPBs,

such as Big Lottery, Arts Council and Sport England, that control the funding. The approach taken with potential DCMS funding streams is determined by the nature of individual areas.

Defra

30. Authorities may wish to include Defra policy areas in their LAA pilots. For example these could include rural issues, liveability and streetscene issues and sustainable development. The relevance of Defra funding streams for inclusion in an LAA pilot will vary from area to area. As such, it is most appropriate for Defra to consider requests for the inclusion of its funding streams on a case by case basis.
31. When dealing with Defra policy areas, the LAA team in each GO will need to draw on the expertise of the relevant GO representatives, the Rural and/or Environment and Sustainability Directors and their teams, who will be able to advise on whether potential funding streams identified by pilot areas could be included, and to act as a central coordinating point for discussions. In the LAA pilot areas which are also Rural Pathfinders this will be particularly important. The Government Office representatives will ensure that the possibilities to explore synergies between the two projects are maximised and that they are complimentary processes.

The Department for Work and Pensions

32. LAAs will have a large part to play in helping to reduce worklessness and poverty, improve health and safety at work, and promote enhanced quality of life for older people. From their work on the seven central and local government Shared Priorities, DWP and the Local Government Association have agreed Partnership Accords that promote joint work to Help the Hardest to Reach into Work, and tackle Child and Pensioner Poverty. In order to deliver better and more accessible services to older people, central and local government, together with the voluntary sector have been developing better strategic and operational partnerships, which are called Link-Age. Local authorities are also working closely with the Health and Safety Executive to improve occupational health at work. By working together in a more joined-up way, DWP expects that Local Strategic Partners will be able to make better use of their resources to deliver services that are more tailored to local needs. This should result in better outcomes and a significant improvement in the lives of people in local communities.
33. We expect LSPs to take account of the impact of an ageing society, ensuring that key partners, including the voluntary sector and older people themselves, are fully engaged in the negotiation process and setting priorities that impact on older people's lives. LAAs will be integral to delivering outcomes which will improve the quality of life of older people beyond health and social care, to promote independence, general well being and active citizenship. It is possible that some LSPs will include direct representation from The Pension Service (TPS). TPS is committed to ensuring that it is represented in all the LAA pilot areas, although whether this representation is via Local Service or through our ongoing work with a partner within that area, will vary from location to location.

34. Most DWP funding being spent in an area will be on pensions and benefits paid to individuals and on supporting mainstream programmes to help individual benefit recipients into work. Pension and benefit payments fall outside the scope of a LAA since it is government policy to maintain a national system. A major proportion of Jobcentre Plus mainstream programme funding is also committed to mandatory provision for customers, where District Managers will not have the flexibility to alter arrangements. However, they can exercise discretion how they use some of their resources. They will want to discuss joining-up their work with other LSP members to develop area labour market strategies to increase employment outcomes. From October 2005 a further opportunity to test the effectiveness of tailoring support for individuals disadvantaged in the labour market will be provided in a number of 'Building on New Deal' (BoND) prototype Districts (there is a cross-over with LAA pilots in Gateshead and Wolverhampton). Here some limited freedom will be given to District Managers to develop solutions to local problems.
35. TPS is currently negotiating with Primary Tier Authorities regarding the creation and deployment of 'Joint Teams'. Whilst the limited funding available to TPS managers to support the creation of Joint Teams would not be able to be pooled, these teams meet the objectives of LAAs. It is hoped LAAs will assist in ensuring that the opportunities presented by Joint Teams for increased take-up, and the reduction in duplication of effort by both partners and customers are maximised.

Negotiation Process

36. The negotiation process can be broken down into a number of steps. These are set out below, with an indication of when each stage should be completed. The intention of these timings is to give areas an idea of what will happen by when. More specific milestones can be agreed with the relevant GO as part of the negotiations. There is an expectation that agreements will have been concluded by the end of February 2005.

Before negotiations take place – this work will already be underway

37. In advance of negotiations taking place, both local areas and GOs will need to do some preparatory work. The first step, from a local area perspective, is to engage with all of the relevant stakeholders in their area. The previous section gives further information on this, but it is worth emphasising that proper partnership working is of fundamental importance to LAAs.
38. GOs will also be putting together their negotiation teams, under the leadership of the Government Office Regional Director. Again, the previous section sets out who will be involved and how the LAA negotiation fits in with existing processes.

Start of negotiation – local areas should aim to make initial submissions by Friday 07 January

39. Local areas have already been asked, by GOs, to indicate what funding streams they would like included in their LAA. Annex A gives an illustration of the sort of funding streams that can be included. This is not an exhaustive list but may help when considering what to include. Local Areas should also be considering what they would like to achieve with their LAA. In doing this, they will want to consider relevant documents and performance information such as the Community Strategy, the CPA Improvement Plan and CPA Improvement Report, Crime and Disorder Reduction Partnership strategies, Local Neighbourhood Renewal Strategies (where appropriate) and the Children and Young People Plan (starting from April 2006).
40. GOs will also be looking at these documents and related performance data to formulate a view of the likely local priorities for each area.
41. The outcomes section below sets out a number of outcomes that must be included in every LAA, it also offers examples of other outcomes that can be used. The list is not exhaustive, and local areas are encouraged to propose additional outcomes they would like to include to reflect local priorities.
42. By Friday 7 January, pilot areas should submit to the GO the combination of funding streams they would like to include in their agreement and the outcomes they would deliver. They should also set out the reasoning behind their choices. Annex B gives one model of how this information could be set out. Whilst there is no compulsion on areas to use this model, it does set out the information that is required in the initial submission.
43. Full negotiations will start after the GO has received this initial submission.

Negotiation – negotiations should be completed by end February

44. During the negotiations, three things will need to be agreed:
 - What outcomes the agreement will seek to achieve.
 - Which of the funding streams requested by the local area can be included.
 - The indicators and targets associated with these outcomes.

How will disagreements be resolved during negotiations?

45. By definition, LAAs are agreements and all sides in the negotiation therefore need to be happy before negotiations can be concluded. Where there are disagreements during negotiations, we could expect these to be resolved locally through the LSP and other partners and the GO Regional Director. Ministers will be responsible for signing off LAAs.

Relationship with other initiatives

Local Public Service Agreements

46. As set out in the LAA prospectus, the principles behind LAAs build on the experience of Local PSAs. The LPSA will sit alongside of the LAA and it will be necessary to ensure that LPSA and the LAA work together in a way that maximises the synergies between them.
47. Pilots will be at different stages in the negotiation of their 2nd Generation LPSA and will have different views on how they want to bring together the negotiation of the LAA and the LPSA. ODPM will adopt a flexible approach to this, fitting in where possible with pilots' requests.

Neighbourhood Renewal Fund

48. The Neighbourhood Renewal Fund (NRF) provides support to 88 local authorities in England to enable them to improve the delivery of public services in their most deprived neighbourhoods. Many of the LAA pilot areas will be eligible for NRF resources in 2005-06. As before, local authorities will be able to determine, in conjunction with their LSP how these resources will be spent to deliver the priorities set out in their local neighbourhood renewal strategies. LAA pilot areas eligible for NRF resources will therefore be able to use the LAA to set out how they plan to use these resources to support the achievement of key outcomes for any or all of the three key blocks within the Agreement so long as those outcomes are clearly linked to tackling deprivation and regeneration in their most deprived neighbourhoods. LSPs should look to an LAA as an opportunity to augment the local impetus for sustainably tackling deprivation. In the case of those two-tier areas where only one or more of the districts councils within the county are eligible for NRF resources, the Agreement will need to confirm that those resources will continue to be focused on tackling deprivation in the eligible district areas.

Safer and Stronger Communities Fund (SSCF)

49. From 2005 the SSCF is being rolled out to all English authorities. SSCF brings together a number of funding streams tackling crime and anti-social behaviour, improving public spaces, making public services more responsive to local needs and empowering local communities to influence these. These funding streams will be used to develop a set of local outcomes addressing these issues within a mini-LAA. In pilot LAA areas there will be no need to develop a separate mini-LAA. This should be subsumed into the wider LAA and included as part of the Safer and Stronger Communities block. Separate guidance will be issued for the SSCF and the requirements in this guidance will apply to the Safer and Stronger Communities Block of pilot LAAs.

Rural Pathfinders

50. The approach being taken on LAA pilots is similar to the one being taken on rural pathfinders. A number of LAA pilots include rural pathfinder areas and we are keen to explore the links between the two initiatives. The selection of Dorset as both LAA pilot and pathfinder will, in particular provide an opportunity to do this. We will look to local areas to come forward, if they wish, with proposals on how to handle the rural dimension. We will aim to be flexible in considering such proposals.

Transport and Accessibility, including Local Transport Plans

51. DfT guidance to local authorities indicates that transport planning objectives can cover a wide variety of priorities – including congestion, public transport, regeneration, road and community safety, health and fitness and a range of environmental issues. Improving accessibility, particularly for the socially excluded, is a major and developing policy priority for transport plans, which is closely related to improved outcomes for children and young people, health and elderly people and safer and stronger communities.
52. Where mainstream transport capital has a significant role in delivering the outcomes of LAAs, this can be included in the LAA and should be reflected in the local transport plan. Local authorities already have substantial discretion about the selection and level of targets to be used for performance management.

Freedoms and Flexibilities

53. The freedom to achieve agreed outcomes through the pooling of the various funding streams and the resultant reduction in the associated bureaucracy will, of course, offer local areas considerable freedom and flexibility. In addition, as with Local PSAs, if pilots are aware of statutory and administrative obstacles, the removal of which would have a significant impact on the delivery of services, they should set these out in their initial submissions to GOs. Again, as with Local PSAs, pilots should be aware that requests that require changes to primary legislation, even if agreed in principle, will nearly always take a significant period of time. GOs will raise these issues with relevant Departments and agree a way forward for dealing with them.

Outcomes Framework

54. The LAA prospectus established the general principle that LAAs would be outcome based and would enable local authorities and their partners to deliver national outcomes in a way that reflects local priorities, particularly those identified in Community Strategies, which in turn reflect other strategies such as the Crime and Drugs Strategies. This will give local authorities and their partners the freedom and flexibility to find local solutions to local problems, and to prioritise spending to achieve the outcomes identified in a LAA.

55. Since the publication of the prospectus we have been developing the principles which will underpin the Outcomes Framework. The purpose of the Outcomes Framework is to establish a clear understanding between the local area and central Government (via the GOs) about what will be delivered and when, how success will be measured and how it will be reported on and where additional support may be necessary.

Definition of terms

- Outcomes are objective high level statements of intent.
- Indicators are what is measured to demonstrate progress against outcomes.
- Targets are the numbers attached to indicators.

The approach

56. The approach on the LAA Outcomes Framework will need to be viewed in the light of other elements notably:
- the duration of the agreement; which will influence in particular the targets set;
 - the selection of funding streams for the inclusion in the agreement which may influence the position on outcomes and indicators;
 - the relationship with other plans e.g. Children and Young People's Plan (required from April 2006) and DH Local Delivery Plans and Community Strategies;
57. As detailed in the prospectus, a LAA, and therefore the Outcomes framework, will be structured around three blocks:
- Children and young people
 - Safer and stronger communities
 - Healthier communities and older people
58. However, we encourage local areas to come forward with outcomes that both overarch these blocks and promote synergies between them. Engagement with relevant partners locally on cross cutting issues when considering these outcomes will be key to their success.
59. The following principles have been applied in the development of the Outcomes Framework:
- there should be a limited number of high level outcomes drawn from national PSA Targets or Floor targets or other processes, which will be offered as a menu of outcomes, some of which will be mandatory, although the number of mandatory requirements will be kept to a minimum;
 - there will be some funding streams which, if included, will be linked to mandatory indicators;

- there will be some indicators which, if included, will be linked to mandatory targets;
- where pilots are eligible for Neighbourhood Renewal Funding, outcomes related to this funding must be clearly linked to their most deprived neighbourhoods and delivery of floor targets;
- additional outcomes and indicators can be identified and put forward by local areas to reflect local circumstances;
- targets will be agreed through the negotiation process.

CHILDREN AND YOUNG PEOPLE

– BLOCK 1

CONTEXT

60. LAAs will be an integral part of a local area's approach to improving outcomes for children and young people. As such, we are keen to integrate LAAs into the improvement cycle for children's services which brings together a number of key stages for driving local performance in children's services including needs assessment, prioritisation and planning, monitoring and self evaluation. We consider there should be a good fit between LAAs and the statutory Children and Young People's Plan, so that they are mutually reinforcing. Priorities conversations are being arranged with local areas to discuss the fit between national and local priorities and the local area's CYP block proposals. In LAA pilot areas, these conversations will form part of the overall LAA negotiation.
61. Table 1 below sets out the outcomes and locally measurable indicators from the Every Child Matters: Change for Children Outcomes Framework. These will be the basis for the Children and Young People block within LAAs. LAA pilots will be able to negotiate which of these outcomes and indicators best reflect their local priorities and needs and may also wish to refer to the Joint Area Review criteria currently being consulted on by Ofsted for additional/alternative indicators or suggest their own. However where LAA pilots wish to include particular funding streams some of the outcomes and indicators below may become mandatory. These will be highlighted during the negotiation process. Additional funding from other Government departments may also fall within this block and have associated outcomes and indicators, which will be highlighted during the negotiation process.

TABLE 1 – CHILDREN AND YOUNG PEOPLE BLOCK

POSSIBLE LAA OUTCOMES	POSSIBLE LAA INDICATORS
Stay safe	Number of 0-15 year olds injured or killed in road accidents Number of re-registrations on child protection register % under 16s who have been looked after for 2.5 or more years living in the same placement for at least 2 years or are placed for adoption % care cases completed in the courts within 40 weeks Other indicators on bullying and discrimination, fear of crime and anti-social behaviour in and out of school
Be Healthy	Reduction in the under 18 conception rate (<i>also in Healthier and Older People block</i>) Halting the year on year rise in obesity among children under 11 (<i>also in Healthier and Older People block</i> ; source data not yet available locally, currently only national/GO level) Other indicators for children and young people being physically healthy, mentally and emotionally healthy, sexually healthy, having healthy lifestyles and choosing not to take illegal drugs e.g. an indicator for schools achieving healthy school status where funding for Education Health Partnerships is included Increase % of 5-16 year olds who spend a minimum of 2 hours each week on PE and school sport including developing the quality and quantity of sporting opportunities in school and strong links with sports clubs

POSSIBLE LAA OUTCOMES	POSSIBLE LAA INDICATORS
Enjoy and Achieve	<p>Improve levels of schools attendance (reduce half days missed through absence)</p> <p>% 7 year olds achieving at least level 2 at Key Stage 1</p> <p>% 11 year olds achieving level 4 in English and Maths (existing statutory target)</p> <p>Educational achievement of 11 year old looked after children compared to their peers</p> <p>% 14 year olds achieve at least level 5 in English, Maths, Science and ICT (existing statutory target)</p> <p>% 16 year olds achieve equivalent of 5 A*-C GCSE (existing statutory target)</p> <p>Educational attainment of 16 year old looked after children compared to their peers</p> <p>Other indicators for children being ready for school, achieving personal and social development and enjoying recreation</p> <p>Increased number and quality of educational opportunities for young people delivered by arts organisation, museums and galleries particularly in deprived areas.</p> <p>Increased numbers of school visits to historic and cultural sites</p> <p>Increased participation in a broad range of high quality cultural activities, both in and out of school.</p> <p>Increase % of children benefiting from children's libraries facilities and activities including Bookstart, homework clubs and the Summer Reading Challenge.</p>
Achieve Economic Well-being	<p>Stock of childcare places</p> <p>Reduction in the number of children living in low-income households (only measurable down to regional level)</p> <p>Reduction in the proportion of children in households with no one in work (only measurable down to regional level)</p> <p>*Other indicators for engaging in further education, employment or training on leaving school (mandatory target where Connexions is included), being ready for employment, living in decent homes and sustainable communities, having access to transport and material goods and living in households free from low income</p>
Make a Positive Contribution	<p>Permanent and fixed period exclusions from school</p> <p>Increase % of volunteering by young people in culture and sport.</p> <p>Other indicators for engaging in decision making, supporting the community and environment, engaging in law-abiding and positive behaviour in and out of school, choosing not to bully and discriminate, developing self confidence and enterprising behaviour</p> <p>Increase volunteering by young people in culture and sport</p>

SAFER AND STRONGER COMMUNITIES – BLOCK 2

CONTEXT

62. The Safer and Stronger Communities Fund (SSCF) is being introduced and run as a mini LAA at the same time as LAA pilots. The SSCF will form part of the Safer and Stronger Communities block for each LAA pilot and will be part of the wider LAA rather than being run as separate mini-LAA. The SSC block will, therefore, include the SSCF funding streams and the SSCF outcomes but may well include additional funding streams and outcomes.
63. There are four key outcomes for the SSCF drawn from the national PSA framework. Two of these outcomes are mandatory for all areas, the other two outcomes are mandatory if specific funding streams are included. The way that they can be expressed in a LAA is a matter for the local area. Table 2 below provides details about the nature of the outcomes and the indicators, which will fall within the Safer and Stronger Communities block in LAAs, and includes an additional outcome relating to libraries, sport and cultural services that areas may wish to include.

TABLE 2 – SAFER AND STRONGER COMMUNITIES BLOCK

MANDATORY LAA OUTCOMES	POSSIBLE LAA INDICATORS
To reduce crime, the harm caused by illegal drugs, and to reassure the public, reducing the fear of crime and anti-social behaviour	Reduce British Crime Survey comparator crime between 2003/04 and 2007/08. To reduce people's perception of ASB Reduce perception of local drug use/dealing
To empower local people to have a greater voice and influence over local decision making and the delivery of services	Perception measures including, for example, community cohesion, numbers of neighbourhood bodies etc. This can be discussed during negotiations and additional guidance will be provided.
Possible LAA Outcomes	Possible LAA Indicators
To have cleaner, greener and safer public spaces (mandatory where liveability funding and targeted neighbourhood funding is included)	% of residents reporting an increase in satisfaction with their neighbourhoods and in disadvantaged areas showing a narrowing of the gap between these areas and the rest.
To improve the quality of life for people in the most disadvantaged neighbourhoods and ensure service providers are more responsive to neighbourhood needs and improve their delivery (Mandatory where targeted neighbourhood funding is included)	% of residents satisfied with delivery of local services and believing service providers are more responsive to their needs.
Libraries, sport and cultural services better meet the needs of their communities (especially in disadvantaged areas)	Measured improvements in libraries impact score, and cultural participation indicators (DCMS PSA Targets)

HEALTHIER COMMUNITIES AND OLDER PEOPLE – BLOCK 3

CONTEXT

64. Creating and supporting healthier communities and reducing health inequalities requires action on a broad front involving partnership working at all levels. The determinants that contribute to poor health and inequalities are wide and local action needs to tackle the key determinants such as poverty, worklessness, low educational attainment and skills, poor housing, fuel poverty, homelessness, poor access to local services and the provision of healthy affordable food, transport and road accidents, alongside action to improve health services. The Choosing Health White Paper sets out the Government's strategy to improve health and reduce inequalities. It takes forward the Government's programme for action to tackle health inequalities.
65. PCTs are expected to work in partnership with other NHS bodies, local authorities and other local partners to contribute to the standard set of targets underpinning the individual areas of the health PSA. The health of the population targets (see below) focus on the key indicators of poor health and health inequalities. Local authorities have through the shared priority accepted responsibility for contributing to the development of healthier communities and reducing health inequalities, and this is being proposed CPA 2005.
66. LAAs provide an opportunity to galvanise and coordinate the action of all local partners to improve health and reduce health inequalities, as set out recently in the "Choosing Health" White Paper, and to set local targets, which were appropriate may be more challenging than the national targets. For LAA pilot areas, the mandatory *Health of the Population* targets will be set out in the PCT's LDP. Additional, or more stretching, targets can then be agreed as part of the LAA.

TABLE 3 – HEALTHIER COMMUNITIES AND OLDER PEOPLE

POSSIBLE LAA OUTCOMES	POSSIBLE LAA INDICATORS
<p>Improved health of the population: increased life expectancy and reduced health inequalities</p> <p>Improved quality of life and independence of vulnerable older people.</p>	<p>Reduction in mortality rates from cancer, heart disease and stroke and related diseases; reduction in the inequalities gap between the fifth of areas with worst health and deprivation indicators and the population as a whole.</p> <p>Reduction in health inequalities, as measured by infant mortality and life expectancy at birth.</p> <p>Reduction in adult smoking rates.</p> <p>Halting the year on year rise in obesity among children under 11 as part of a strategy to tackle obesity in the population as a whole. <i>[Also in CYP block]</i></p> <p>Reduction in the under 18 conception rate as part of a broad strategy to improve sexual health. <i>[Also in CYP block]</i></p> <p>Proportion of older people supported to live in their own home.</p> <p>Evidence of improved wellbeing of older people</p> <p>Prevention services to proactively support older people before the point of crisis</p> <p>Increase in provision of low-level care and support</p> <p>Transport planning and provision that takes account of needs of older people in availability and accessibility</p> <p>Increase in take up of Pension Credit</p> <p>Reduction in emergency hospital admissions of people aged 65+</p> <p>Reduction in falls of older people inside and outside the home</p> <p>Increased level of physical activity and use of sports facilities, especially by priority groups and older people and in disadvantaged areas</p>

TABLE 4 – CROSS CUTTING OUTCOMES**CONTEXT**

In addition there will be a number of outcomes and indicators which cut across the three blocks. A selection of these is listed in the table below. The degree to which these outcomes and indicators will be included in LAAs will be determined through negotiations.

POSSIBLE LAA OUTCOMES	POSSIBLE LAA INDICATORS
Reduction in poverty	Increase in the overall employment rate Increase in employment rates of lone parents, ethnic minorities, people aged 50 and over, those with the lowest qualifications, people with disabilities, and disadvantaged areas Reduction in the Job Seekers Allowance unemployment rate Increase in rate of economic activity Increase in the number of Jobcentre Plus job entries The number of people moving off inactive benefits The take-up of correct benefit and tax credit entitlements
Reduction in pensioner poverty	Number of pensioner households in receipt of Pension Credit
Safer and healthier working lives	Reduction in incident rate of fatal and major injuries at work Reduction in the number of working days lost from work-related injuries and ill health Reduction in the annual incidence rate of new cases of work related ill health
To empower local people to have a greater voice and influence over local decision making and the delivery of services.	Perception measures including, for example, community cohesion, numbers of neighbourhood bodies etc. This can be discussed during negotiations and additional guidance will be provided.
Enrich individual lives, strengthen communities and improve places where people live through culture and sport.	Increase the take up of cultural and sporting opportunities by people aged 16 and above, from priority groups Increase visits by priority groups to historic environment sites, especially from ethnic minority and socially deprived groups. Increase visits by new users to museums, especially from under-represented groups. Increase in attendance and participation in the arts by under-represented groups.
Promote Sustainable Development through Maintaining high and stable levels of economic growth and employment. Social progress which recognises the needs of everyone Effective protection of the environment Prudent use of natural resources	Quality of Life Indicators for Sustainable Development (also see Headline Indicators at http://www.sustainable-development.gov.uk/sustainable/quality04/index.htm Note these indicators may be revised with the development of the Government's Sustainable Development Strategy, to be launched in 2005.

Funding Streams

67. There is a substantial number of funding streams that are eligible for inclusion in a LAA. The LAA and associated funding streams should be viewed against a backdrop of central government encouraging its local bodies to align and pool their budgets. There is already considerable flexibility and powers for organisations to align and pool their budgets and LAAs promote this further⁴.
68. The majority of funding streams will have to be negotiated into the LAA; pilots will need to make the case as to why a funding stream should be included as part of the LAA. The presumption is that if a funding stream is of an eligible type and is not specifically excluded it could potentially be negotiated into a LAA. Very few funding streams are specifically excluded from LAAs.
69. As with LPSAs, mainstream funding will contribute to achieving outcomes. However, we do not expect LAAs to effectively become a contract above how all mainstream funding will be spent.
70. Although the presumption is that all other funding streams can be included clearly some funding streams will be easier to negotiate in than others due to the current arrangements or the profile of the funding streams. The presumption for the Safer and Stronger Communities Fund is that it will be part of the LAA so negotiations will be around the associated outcomes and targets rather than whether it should be part of the LAA. European funding on the other hand may be harder to negotiate in as the funding streams may have their own arrangements mandated by the EU. In addition, funding streams that go to individuals, such as benefits, are excluded.
71. At annex A is an indicative list of funding streams that it may be possible to negotiate into a LAA and a list of those it will not. This list has been developed from discussions with departments and pilots and it is not exhaustive – there may be other funding streams that pilots will wish to include. Equally, the inclusion of a funding stream in this list does not guarantee that it will be in a pilot's LAA. In some cases pilots may not want to include it, in some areas it may not be appropriate. The list does, however, provide a useful starting point for pilots. We will continue to review the list and funding streams that are excluded at this point will not necessarily continue to be excluded in the future. We anticipate that more funding streams will become eligible as LAAs develop. Pilots will be kept informed of developments in this area.
72. More generally, for some Departments it has not been possible at this stage to identify funding streams that can be included in LAAs. This does not mean that local areas should not propose the inclusion of funding streams that they have identified.
73. Finally, there are a number of publicly funded bodies, such as Big Lottery and other Lottery distributors, RDAs and Learning and Skills Councils where if they are engaged locally, it may be possible for their funding to be aligned with the aims of the LAA. We would encourage local areas to consider these. There may be conditions applying to this funding that will need to be respected.

⁴ The Health Development Agency report *Pooling resources across sectors: a report for local strategic partnerships* demonstrates the existing flexibilities.

What a Local Area Agreement will look like

74. Annex B sets out a possible model for local areas to follow when submitting their initial proposals to Government Offices. The final LAA will reflect how this initial submission has been changed during negotiations. As stated previously, the LAA must include a statement of involvement of the VCS in the design and delivery of the agreement.

Monitoring and Reporting

75. We will provide further information on the monitoring and reporting arrangements for LAAs in a further advice note. However, we thought it would be helpful to give some early indications of the broad principles which will underpin the reporting and monitoring arrangements:
- We will not be concerned with the internal performance management arrangements that an area has in place, but will need to be reassured that the arrangements are robust and will allow monitoring of performance against the targets and high level agreed outcomes;
 - It is our expectation that monitoring arrangements will be proportionate and discussed/agreed between LAA pilots and GO during the negotiation process;
 - It is the intention, that whenever possible, funding streams and outcomes which have been included in the agreement will be monitored as part of streamlined arrangements for LAAs;
 - The ongoing relationship and dialogue between the area and central government, through the GO, will be used to identify and address problems early on. Sufficient levers will need to be in place to ensure that local areas achieve the outcomes they have agreed; and
 - Additional inspection activity will not be carried out on back of LAAs but we will be clear about the link between LAAs and other regulation/inspection regimes.

Communications and Support

76. Government, LGA and IDeA are committed to providing current, timely and relevant support to the pilot areas for LAAs.
77. We are working jointly to develop a co-ordinated and comprehensive package of support not only to local authorities but also to their partners in the community and public sector more generally. Our aim is to avoid creating unnecessary burdens on the pilot areas by ensuring our engagement with you is coherent and limited so that you can remain focussed on the task in hand.

78. We expect this support to tie in closely with the research and findings generated through the evaluation of the LAA pilots that has been commissioned by ODPM. We have commissioned a consortium led by the Office of Public Management to evaluate the negotiation of the pilot LAAs for us. Some of you may already have been contacted by the researchers as part of their initial work and will hopefully be recording local developments in journals for them. They will be contacting you periodically throughout the negotiations and will shortly be choosing a small number of case study authorities, which they will be looking at in greater depth.
79. The evaluation will look at the effectiveness of the negotiation process from the differing perspectives of the parties involved and will identify lessons that can be learnt by all concerned for any potential rollout. Issues to be looked at include; the role of the Government Offices, how joined up the centre is, how easy it is to negotiate targets that meet both national and local requirements and how LAAs will be negotiated in two tier areas.
80. The researchers will be running two workshops in early spring to which many of the pilot areas will be invited. Reports will be published in due course.

ANNEX A – FUNDING STREAMS

Department	Indicative list of Funding Streams that could be included in a LAA	
DfES	Adoption Support and Special Guardianship Choice Protects Children's Trust pathfinders Teenage Pregnancy Local Change Fund Vulnerable Children Grant Transforming Youth Work Development Fund Youth Service Disabled Access Vocational and work related learning	Sure Start/Extended Schools (joint with DWP) Children's Fund Education Health Partnerships Primary Strategy Central Co-ordination Key Stage 3 Central Co-ordination Key Stage 3 Behaviour and Attendance LEA support for workforce re-modelling Connexions Safeguarding Children
DfT	Use of mainstream funds may contribute to LAA outcomes	Some demonstration projects
ODPM	Single Community Programme Liveability Fund Neighbourhood Renewal Fund – must be used to tackle deprivation	Neighbourhood Wardens Neighbourhood Management Pathfinders
Home Office	The SSCF Block Building Safer Communities Anti-social Behaviour CDRP allocation HO Regional Directors Fund Business Crime Additional funding streams that are eligible for inclusion have yet to be defined. In the meantime, local areas should identify those funding streams they would like to include.	Domestic Violence Crime Reduction capital Violent/alcohol crime DAT partnership support grant
DCMS	There are some funding streams that are administered regionally or locally by Non Departmental Public Bodies (eg Arts Council, England) that can be considered for inclusion. A number of NDPBs have expressed willingness to either engage or align relevant funding streams. DCMS GO representatives will coordinate and advise on the possibilities for each LAA area.	
DWP	Use of mainstream funds may contribute to LAA outcomes.	
DEFRA	Defra will consider funding streams proposed by LAA pilots on a case by case basis	
Department of Health	Mainstream funding for PCTs included.	

Department	Indicative list of Funding Streams that are not eligible for a LAA	
This is an indicative list of funding streams that would not be eligible for LAAs. This may yet change as a result of further discussions		
DfES	Schools' budgets Playing for Success Community Champions Fund Unaccompanied Asylum Seeking Children Leaving Care Grant	Investigation and referral support co-ordinators LEA Music Services School Travel Adviser Budget (with DfT)
Home Office		Police Funding
DWP	Pension and Benefit Payments to Individuals	
DfT	School Travel Adviser Budget (with DfES)	Bus Challenge Fund

ANNEX B – POSSIBLE MODEL FOR A LOCAL AREA AGREEMENT

Background Paper

This will set out what the local area hopes to achieve with its LAA. It will need to include details of who is involved from the LAA side and set out brief details of how the partnership operates, including details of how VCS is involved in the design and delivery of the LAA. It will also need to set out the reasoning behind the inclusion of the funding streams the area are proposing.

Template: For each block, Children and Young People, Safer and Stronger Communities, Healthier Communities and Older People and Cross Cutting Outcomes the following information should be provided.

BLOCK: Title
Funding Streams Requested: This will need to include details of allocations to the area for each funding stream by financial year from 2005/06 onwards
Outcomes Proposed: This will need to include any mandatory outcomes together with any additional outcomes proposed by the local area.
Possible Indicators: Whilst choice of indicators and subsequent targets is for the negotiation, local areas can if they wish propose indicators at this stage.
Shared Assumption such as passporting of funding to district councils, VCS etc or other special conditions agreed during negotiations

Block: Children and Young People			
Funding Streams Requested	Allocation		
	2005/06	2006/07	2007/08
Funding Stream x	£xm	£ym	£zm
Funding Stream y	£xm	£ym	£zm
Outcomes to be delivered			
Outcome 1			
Outcome 2			
Any proposed indicators			
Shared Assumption such as passporting of funding to district councils, VCS etc or other special conditions agreed during negotiations			

