

27 April 2007

## **Local Area Agreement (LAA) Performance Reviews in 2007-08**

### **Introduction**

1. The existing LAA reporting framework is being amended to take into account the need to develop second generation LAAs from April 2008.
2. Local partnerships will continue to self assess performance against the previous 6 months as part of their routine performance management of the LAA. The aim of discussions with Government Office is to build on the existing local performance management to identify the residual risk of achieving outcomes and, as such, help inform the negotiation of improvement priorities across the four LAA themes for new style LAAs for 2008.
3. This note and Annexes A and B seek to clarify timings, expectations for self assessment and the extent of GO exception reporting to Communities & Local Government over the course of 2007 – 08. It is available for any parties involved in performance reviews.

### **2006/07 end year reviews for pilot and second round LAAs**

4. Self assessments should be on all outcomes and focus on those with a residual risk of not being achieved. Government Offices need only report to Departments these risks, where they arise, and any other new risks to delivery identified through self-assessment. Government Offices will not need to make an overall judgment of performance. Local partnerships and GOs may wish to share information on any key differences LAA implementation has made.
5. Local partnerships should complete their self assessments and send to GOs by mid June 2007. Discussions with Government Office should be completed so that the GO is able to report to Communities & Local Government and to central Departments before the end of July 2007.
6. Local partnerships currently undertaking feasibility-testing of the new process need only undertake self assessment. As part of the feasibility testing local

partnerships will need to draw on a range of evidence including performance against their current LAA targets and self assessment. Any issues relevant to the review process identified during the feasibility testing will be brought to the GO's and relevant Department's attention for any necessary further action.

### **Transitional negotiations for all LAAs**

7. LSPs will continue to self-assess their LAA (including the first for round 3 LAAs) but there will be no mid year review meeting between local partnerships and Government Office. Review meetings originally scheduled November 2007 – January 2008 will focus on agreeing the new improvement priorities based on the new National Indicator Set.
8. Government Office and local partnerships should agree a suitable date for the submission of this self assessment in the context of further negotiations. The wider LAA negotiation timetable will be confirmed and operational guidance will be published following the Comprehensive Spending Review announcement.

### **Local partnership's self-assessment**

9. It remains the local partnership's responsibility both to self-assess their own performance across their LAA as a whole and ensure that the GO receives the relevant information.
10. As with earlier reviews, the local partnership and GO will want to agree which elements of the local partnership's self-assessment it will share with the GO but this should include:
  - a) Outcomes, indicators, baselines, targets and milestones in the LAA or where any of these have yet to be established.
  - b) The most recent performance data for each target in the LAA, showing progress against the expected milestones. Where any data is not yet available, a clear but brief explanation of why this is the case and how and by when it will be.
  - c) An assessment of the risks to the achievement of each outcome in the LAA and where there are risks that an outcome will not be met, a clear but brief explanation of what is being or will be done to address these risks and what residual risks then remain. For the avoidance of doubt this does not mean any detailed project planning that explains how each target will be met.
11. There is no strict definition of risk for the purposes of the assessment. Assessments should be based on a judgment between the local partnership and the GO. In considering residual risks to achievement local partnerships and GOs are encouraged to think about the risk to the final outcome itself.
12. While any milestones can be a guide to whether progress has been made at the rate which was predicted when the outcome and its target(s) were first set, they should not be seen as targets themselves. For instance it may be the case that progress is currently behind milestones but it is known that a key action has or will be taken, which impact has yet to be seen but which there is a high confidence that it will allow the target to be met. Equally, progress may be ahead

of milestones but there is a high risk that something that has happened or will do that will make it very difficult to achieve the outcome. Assessments should therefore be made not simply on the basis of performance to date but also on what is expected to happen over time and if the issue may remain an improvement priority in new LAAs from 08/09.

13. The GO Assessment Tool is available to help determine whether appropriate performance management arrangements are in place – or whether there are processes in place to develop them – at a local level. This is available at:

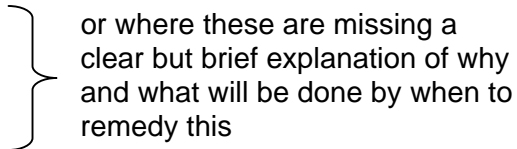
<http://www.idea-knowledge.gov.uk/idk/aio/4542547>

Local partnerships are therefore encouraged to use this as they best see fit to inform their own self-assessment.

### **Running LAAs Project Board**

## ANNEX A: SUGGESTION FOR THE FORMAT OF SELF-ASSESSMENTS

14. The format of the self-assessment is for the local partnership and GO to agree. The important thing is that it can easily be understood by all members of the local partnership and the GO. Experience of the six-monthly reviews to date suggests that amongst the clearest ways that some local partnerships have presented their self-assessments include:

- a) A table or tables (based around the blocks where these exist) showing for each outcome the:
  - i. indicators,
  - ii. baselines,
  - iii. targets,
  - iv. milestones,
  - v. most recent performance data,
  - vi. a self-assessment of the level of risk to the achievement of the targets,
  - vii. direction of travel, perhaps simply illustrated by means of a visual device such as a  $\uparrow/\rightarrow/\downarrow$  rating.

or where these are missing a clear but brief explanation of why and what will be done by when to remedy this
- b) A narrative overview, including:
  - i. any further necessary explanation of the self-assessment
  - ii. a clear explanation of what is being done to address any "red risks" and an assessment of the residual risk to delivery after this action is taken. This assessment may be presented in whatever format the partnerships chooses but it is helpful for it to be as clear as possible about where the key risks lie to achievement outcomes, especially outcomes of key importance to the local partnership and those which are mandatory, and what is being done to mitigate these risks and improve performance.
  - iii. any other issues that the local partnership wishes to raise with the GO or for the GO to raise with central government, such as continuing barriers to achievement of targets that GOs or central government might be able to address.

## **ANNEX B: GOVERNMENT OFFICE REPORTING TEMPLATE FOR LAA END YEAR REVIEWS**

**[INSERT NAME OF GOVERNMENT OFFICE] HIGHLIGHT REPORT ON**

**[INSERT NAME OF LAA] LOCAL AREA AGREEMENT**

**[INSERT PERIOD COVERED BY THE REVIEW]**

### **1) Summary**

Government Offices to report on agreements only where the following have been identified:

- There are outcomes that are at risk of not being achieved; or
- There are significant gaps in indicators, targets, trajectories or data relating to outcomes and it remains unclear how or by when the majority of these gaps will be filled or removed.
- There are excellent results to note.

### **2) Risks to the achievement of outcomes**

List all outcomes in the LAA for which there is a residual risk that they will not be achieved and if the issue could remain an improvement priority in new LAAs from 08/09. For each, describe what the risks are and what is being or will be done to address these risks including what, if any, support or action by central government might be needed to mitigate any of these risks. Give an assessment of how likely it is that this will address those risks and which, if any, remain unaddressed.

### **3) The impact of the LAA and strong performance**

Local partnerships may also wish to share information on any key differences LAA implementation has made, although this is not a requirement. If partnerships wish to provide feedback of this nature it might usefully include examples of:

- better delivery, strengthened partnership working, innovation, enhanced efficiency,
- improved central and local government relations
- or any specific transferable good practice.

GOs may also wish to produce a summary note of impacts, key issues arising from the reviews reported by local partnerships or any other key issues that the local partnership and/or GO wishes to draw to central government's attention.