



Office of the
Deputy Prime Minister

Creating sustainable communities

Local Area Agreements

Guidance for Round 3 and
Refresh of Rounds 1 and 2

Office of the Deputy Prime Minister
Eland House
Bressenden Place
London SW1E 5DU
Telephone: 020 7944 4400
Web site: www.odpm.gov.uk

© *Crown copyright 2006.*

Copyright in the typographical arrangement rests with the Crown.

This publication, excluding logos, may be reproduced free of charge in any format or medium for research, private study or for internal circulation within an organisation. This is subject to it being reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the publication specified.

Any other use of the contents of this publication would require a copyright licence. Please apply for a Click-Use Licence for core material at www.opsi.gov.uk/click-use/system/online/pLogin.asp or by writing to the Office of Public Sector Information, Information Policy Team, St Clements House, 2-16 Colegate, Norwich NR3 1BQ.
Fax: 01603 723000 or e-mail: HMSOlicensing@cabinet-office.x.gsi.gov.uk.

Alternative formats are available from:

ODPM Publications
PO Box 236
Wetherby
West Yorkshire
LS23 7NB
Tel: 0870 1226 236
Fax: 0870 1226 237
Textphone: 0870 1207 405
E-mail: odpm@twoten.press.net
or online via www.odpm.gov.uk

March 2006

Product Code 05 LGFG 03779

Contents

Foreword by David Miliband, MP	4
Foreword by Sir Sandy Bruce-Lockhart	5
Introduction	6
What is a Local Area Agreement?	7
Annexes	
A – LAA Outcomes Framework	12
<i>Mandatory Outcomes and Indicators</i>	12
<i>Full Outcomes Framework</i>	16
B – Roles & Responsibilities	28
C – Performance Framework	33
D – Funding Streams	44
E – Enabling Measures	60
F – Reward Element	63
G – Equality and Diversity	65
H – Agreement Timetable	66
I – Templates	68

Forewords

Foreword by David Miliband, MP

I am delighted to be issuing this Guidance as part of the launch of the third round of Local Area Agreement negotiations.

LAAs have come a long way in a short time. In a year from now we will have agreements in place for all upper tier authorities in England. This will put fully in place a cornerstone of the new relationship between Local and Central Government, and help to achieve better outcomes for local people and genuinely sustainable communities.

I have been very impressed by the commitment shown by local areas so far in developing their LAAs, and I know this will continue for the third round. But there is scope for further progress everywhere. Local areas will want to build on lessons learned so far. They will want to do more to break down organisational boundaries locally and unlock the huge potential for Local Strategic Partnership partners to collaborate effectively. They will want to be ambitious, and push at the barriers to improvements. But I congratulate all Round One and Round Two areas on their excellent work to date.

There is a challenge here for Central Government as well. As announced in the Budget on 22 March, 26 funding streams will now be automatically pooled in LAAs. We have gone further in joining up different performance frameworks to cut bureaucracy, but there is more to be done and we intend to go further still on this in the coming months. We will also be looking to engage more creatively with areas to help ensure that Enabling Measures transform the way we all operate.

It is early days, but LAAs are starting to deliver on their promise. The Government wishes well the areas about to start their negotiations.

There are exciting times ahead for all of us who are committed to improved public services.

David Miliband, MP

Foreword by Sir Sandy Bruce-Lockhart

The LGA is fully committed to local area agreements.

LAAs give us a framework through which councils in every part of the country can lead across the public sector in setting a shared vision for their own area. LAAs offer more local autonomy. The result should be a balance of national and local priorities that brings together different public services and workforces, and makes better use of taxpayers' money.

The call for more devolution, giving back to people locally the chance to define a sense of place, a quality of life, and a set of ambitions for their area, grows stronger month by month.

For local councils, there are still many challenges and frustrations in the transition towards this better way of governing. Government Departments and the LGA do not always agree on what should be 'let go' from Whitehall, or when.

LAAs are not easy, but they offer real potential for improving the places and the lives of those we represent. We need to be ambitious in rising to the challenge of local area agreements.

Sir Sandy Bruce-Lockhart

Introduction

1. This refreshed Guidance Note has been produced for areas developing their LAA during 2006-7 to commence in April 2007 and for Round One and Two areas that will be refreshing their current agreements at the end of 2006, who should reflect this guidance in their refreshed LAA. It replaces the Guidance Note issued in June 2005 and all previous Advice Notes on LAAs.
2. The Guidance Note reflects changes based on the experience of negotiating both the pilot and the second round LAAs. It has been produced in consultation with local areas, the LGA, Government Offices (GOs), Government Departments, the IDeA and Regional Development Agencies (RDAs).
3. This guidance note covers the following:
 1. What is an LAA?
 2. The LAA Outcomes Framework
 3. Roles and responsibilities
 4. LAA Performance Framework
 5. LAA Funding streams
 6. Enabling measures (formerly known as freedoms and flexibilities)
 7. The LAA Reward Element
 8. Equality and Diversity
 9. The LAA Agreement process
 10. Templates
4. A toolkit has been developed to be read in conjunction with this Guidance. The toolkit provides a more practical case study based approach to the development of a LAA and can be found on the IDeA website (www.idea.gov.uk).

What is a Local Area Agreement?

5. A Local Area Agreement (LAA) is a three year agreement, based on local Sustainable Community Strategies, that sets out the priorities for a local area agreed between Central Government, represented by the Government Office (GO), and a local area, represented by the lead local authority and other key partners through Local Strategic Partnerships (LSPs).

Objectives of an LAA

6. The primary objective of an LAA is to deliver genuinely sustainable communities through better outcomes for local people. LAAs also have the secondary objectives of:
 - Improving Central and Local Government relations
 - Enhancing efficiency
 - Strengthening partnership working
 - Offering a framework within which local authorities can enhance their community leadership role.

The direction of travel for LAAs

7. The pilot LAAs were conceived primarily as a means of capturing the wide range of area based funding streams, allowing for rationalisation of the funding and streamlining of the administration and monitoring that surrounds them.
8. By Round Two, localities were using LAAs in an increasingly ambitious way. Most took the opportunity to expand beyond funding streams into a more substantive document reflecting a wider range of shared social, economic and environmental priorities across localities as a whole.
9. Round Three sees a further step change in the development of LAAs as they are rolled out to all upper tier authorities. Round Three will build further on the way in which crucial shared business gets done between partners in a locality, and between that locality and Government. The Local Government White Paper and the 2007 Comprehensive Spending Review offer the opportunity to consider further the future of LAAs.
10. The Government will also consider whether Housing and mixed communities investment might be achieved through this route.
11. With that direction of travel in mind, Government has set out in this guidance a wide-ranging and systematic framework of priority outcomes. This framework is summarised in the box below, and local areas should use it to be as comprehensive as possible in their LAAs. At present a number of these outcomes must be reflected in all LAAs – these are the mandatory outcomes and indicators set out in Annex A. Others reflect a broad set of outcomes reflecting

PSAs and floor targets. Other important local outcomes will make up the balance of an LAA, including those identified in the local Sustainable Community Strategy.

Local Area Agreement Outcome Framework Summary
 (The full Outcome Framework is at Annex A)

Children Young People	Safer and Stronger Communities	Healthier communities and older people	Economic Development
Stay safe Be healthy Enjoy and achieve Achieve economic wellbeing Make a positive contribution Narrow the gap (for areas in receipt of NRF)	Reduce crime Reassure the public and reduce the fear of crime Reduce the harm caused by illegal drugs Build respect in communities and reduce anti-social behaviour Empower local people to have a greater choice and influence over local decision making and a greater role in public service delivery Cleaner, greener and safer public spaces Reduce waste to landfill and increase recycling Tackle climate change Increased access to the countryside Improve quality of life in deprived areas, and liveability Improve the quality of public space and the quality of the local environment Narrow the gap (for areas in receipt of NRF)	Improved health and reduced health inequalities Improved quality of life Making a positive contribution Choice and control Freedom from discrimination Economic wellbeing Personal dignity Reduce injuries and improve health at work Narrow the gap (for areas in receipt of NRF)	Increased employment Increasing enterprise Increasing competition Increasing investment Increasing skills Increasing housing Increasing innovation Sustainable production and consumption Narrow the gap (for areas in receipt of NRF)

- Government believes that the expanding nature of the framework offers considerable advantages to all. The elements of the framework reflect what central Government believes to be key priorities of the communities we serve. It is therefore inevitable that they will overlap to a very considerable extent with the priorities already picked up by local authorities and local partners. So in the main these headings should represent shared ground between Government and localities.

LAA documentation

13. Areas will negotiate a document which local partners and Ministers will sign. The second round of LAAs showed us that we need to be more specific about what an LAA should contain. To save time for local areas, we have put together a set of templates to capture much of what must be covered (see Annex I). Areas may like to start with *brief* contextual information which explains why these outcomes are important for the locality. The following will need to be included in each LAA:
- a) mandatory outcomes and indicators for each block;
 - b) other outcomes and indicators for each block;
 - c) targets for each indicator for each of the three years of the LAA, including the annual unstretched targets agreed for the reward element indicators;
 - d) targets addressing specific issues where government funding has been allocated for this purpose;
 - e) the funding streams to be pooled centrally and aligned locally in the LAA for each block;
 - f) where known, details of allocations for each funding stream by financial year;
 - g) a statement of how local people and the VCS are involved in the design and delivery of the LAA (in accordance with Annex B);
 - h) the roles and responsibilities of, and within, the partnership, including clearly identified leads for each outcome (in accordance with Annex B);
 - i) an explanation of the performance, reporting, risk management and monitoring arrangements in place (in accordance with Annex C);
 - j) the agreed enabling measures (formerly “freedoms and flexibilities”);
 - k) an agreed statement of what constitutes underperformance, the ladders of intervention, and provisions for possible exit for the agreement in extremis.
14. Annex H sets out the timeframe for negotiation.

LAA performance reviews

15. There will be six-monthly performance review meetings at which areas must report on progress against outcomes and targets and spend against each of the four blocks to the Government Office. The meeting will primarily check progress against the following elements of the agreement:
- performance against outcomes and targets;
 - continued strength of partnership working;

- development of their performance management and delivery mechanisms;
- spend to date against profile;
- any action needed to address under-performance;
- continued strength of partnership working – authorities will be expected to demonstrate engagement of relevant partners, including the VCS, and the extent to which they are involved in service delivery.

Other issues

Single Pots

16. A number of areas have been granted single pot status. These areas were selected on the basis that their performance across a range of delivery services was good. For single pot areas, it will not be necessary to group either outcomes or funding streams under the four LAA blocks. Areas will have freedom to spend any pooled funding on the achievement of any of the outcomes agreed as part of the LAA. Targets will need to be included for all mandatory outcomes and indicators. The aim of the single pot LAA is to further investigate the key benefits of this additional flexibility.

LAA refresh

17. All existing LAAs will need to reflect the key changes in this Guidance in their LAAs in their annual refresh, in particular, the automatic pooling of a number of funding streams from 07/08 (see Annex D).
18. The refresh should examine the outcomes, targets, funding streams and enabling measures to be included for the remaining years of the LAA. Areas may also wish to use this opportunity to look further ahead to the next 3 year period to be covered by their LAA. If areas wish to amend the funding included in the LAA or any of the mandatory indicators, such changes must be agreed with Government, before the start of the coming financial year. Government Offices will agree the process for the refresh with their areas.

Support

19. As part of the negotiations, areas and Government Offices will be expected to identify areas where further capacity-building support would aid delivery and to agree the details of support to be provided. Details of all available support is given in the LAA toolkit.

Towns and cities – Links to LAAs

20. Cities and towns are hubs of economic growth, but also present some of the major challenges of social deprivation and inequalities. The New Deal for City Regions (NDCR) aims to forge a new deal between central government and the localities and to realise the full potential of our cities and towns.

21. Following the success of the eight Core City summits Ministers are now planning to engage with the other smaller cities and larger towns. The outcome of this work will be a menu of options of enabling measures for towns and cities. These will then be added to the package of enabling measures that can be negotiated for inclusion in LAAs. The aim is for these to be available during the negotiations in 06/07.
22. Some cities have begun to develop LAAs which cross local authority boundaries. We are very keen to work with areas in taking these proposals further.

Rural Areas - Links to LAAs

23. LAAs provide a good opportunity to deliver the Government's rural policy priorities – to tackle disadvantage and social exclusion in rural areas, help underperforming rural economies to begin to catch up with the best, and to ensure our natural heritage is protected and enhanced. In an LAA covering rural areas we would expect to see commitments to meeting the needs of those people and communities. We would expect that, where rurality poses challenges to delivery, the authority would seek to find innovative solutions either by developing them themselves or by seeking good practice examples from others.

Cross Cutting Issues

24. When agreeing and delivering outcomes, LAAs can also help tackle some of the key long-term challenges which are faced by local authorities, LSPs and their communities and which need be addressed if we are to realise genuinely sustainable communities. These are set out in the Government's new Sustainable Development Strategy launched by the Prime Minister on the 7th March 2005 which can be found at www.sustainable-development.gov.uk.

Equality and Diversity

25. LAAs are about better outcomes for everyone, and areas must have regard to equality considerations generally and to the Race Relations Act 1976 (as amended) in particular. Annex G gives further advice.

Conclusion

26. The following Annexes cover all aspects of developing and negotiating LAAs, set out in discrete sections for ease of reference. Where areas require additional information they should contact their Government Office and consult the LAA Toolkit.

Annex A

LAA Outcomes Framework

(1) Mandatory Outcomes and Indicators in the LAA

The following outcomes must be included in all LAAs. Where specified, the particular indicators shown must also be used for the relevant outcomes.

Mandatory Outcomes	Mandatory indicators
<ul style="list-style-type: none"> Improve health and reduce health inequalities 	<p><i>Spearhead Areas</i></p> <ul style="list-style-type: none"> Reduce health inequalities between the local authority area and the England population by narrowing the gap in all-age, all-cause mortality. <p><i>All Other Areas (optional for Spearhead Areas)</i></p> <ul style="list-style-type: none"> Reduce health inequalities within the local area, by narrowing the gap in all-age, all-cause mortality.
<ul style="list-style-type: none"> Reduce crime 	<ul style="list-style-type: none"> Reduction in overall British Crime Survey comparator recorded crime. Targets must be those as agreed between crime and drugs partnerships and GOs to support delivery of Home Office PSA1. A County level target will need to reflect the targets of the crime and drugs partnerships, and any aggregation will need to be agreed with the GO. Reduce the proportion of adult and young offenders and prolific and other priority offenders who re-offend.†
<ul style="list-style-type: none"> Reassure the public, reducing the fear of crime. 	<ul style="list-style-type: none"> Indicators to be agreed in negotiations.
<ul style="list-style-type: none"> Reduce the harm caused by illegal drugs 	<ul style="list-style-type: none"> Reduce public perceptions of local drug dealing and drug use as a problem.
<ul style="list-style-type: none"> Build Respect in communities and reduce anti-social behaviour‡ 	<p><i>The following indicators should draw on the data in the Local Government User Satisfaction Survey</i></p> <ul style="list-style-type: none"> Increase in percentage of people who feel informed about what is being done to tackle anti-social behaviour in their local area Increased percentage of people who feel that parents in their local area are made to take responsibility for the behaviour of their children Increased percentage of people who feel that people in their area treat them with respect and consideration Reduce people's perceptions of ASB (using the seven issues stated in the survey)

† The National Offender Management Service (NOMS) is developing a measure in support of the adult indicator during the course of 2006/07. It is intended that this data will be provided by NOMS to local partners at the Local Criminal Justice Board/Probation Area level from 2007/08 adding no additional reporting burdens to local areas. Local areas already report against the young offender and prolific and priority offender elements of the indicator. Reporting against the young offenders element of the indicator should be conducted in line with existing arrangements (i.e. on an annual basis). Monitoring of the prolific and other priority offenders element will reduce to a quarterly basis from the existing monthly arrangements. There is therefore no increased reporting burden for areas as a result of these new arrangements.

‡ Further information on optional indicators for Respect and anti-social behaviour will be made available in the Summer.

Mandatory Outcomes	Mandatory indicators
<ul style="list-style-type: none"> Empower local people to have a greater choice and influence over local decision making and a greater role in public service delivery. 	<ul style="list-style-type: none"> Percentage of residents who feel they can influence decisions affecting their local area Percentage of people who feel that their local area is a place where people from different backgrounds get on well together An increase in the number of people recorded as or reporting that they have engaged in formal volunteering on an average of at least two hours per week over the past year

(2) Mandatory outcomes and indicators relevant to areas in receipt of specific funding streams

The following outcomes and indicators must be included in LAAs for areas where there is pooling of the relevant funding streams.

Funding stream	Outcomes	Indicator
Neighbourhood Renewal Fund[§]	<ul style="list-style-type: none"> Raise standards in English, maths and science in secondary education so that by 2008, in all schools located in the districts in receipt of NRF, at least 50% of pupils achieve level five or above in each of English, maths and science 	<ul style="list-style-type: none"> By 2008 all schools located in Local Authority Districts in receipt of NRF to ensure that at least 50% of pupils achieve level five or above in each of English, maths and science
	<ul style="list-style-type: none"> Reduce overall crime in line with local Crime and Disorder Reduction Partnership targets and narrow the gap between the worst performing wards/neighbourhoods and other areas across the district 	<ul style="list-style-type: none"> Reduction in overall British Crime Survey comparator recorded crime. Targets must be those as agreed between crime and drugs partnerships and GOs to support delivery of Home Office PSA1. A County level target will need to reflect the targets of the crime and drugs partnerships, and any aggregation will need to be agreed with the GO
	<ul style="list-style-type: none"> As part of an overall housing strategy for the district, improve housing conditions within the most deprived neighbourhoods/wards, with a particular focus on ensuring that all social housing is made decent by 2010 	<ul style="list-style-type: none"> The two-year combined sample (2005/6 to 2006/7) from the continuous English Household Condition Survey (EHCS) reporting in 2007 confirms that the reduction in the number of non-decent social dwellings is more than 50% of the total reduction in the number of non-decent social dwellings since 2001 The two year combined sample (2007/8 to 2008/9) from the continuous EHCS reporting in 2009 confirms that the reduction in the number of non decent social sector dwellings is more than 50% of the total reduction in the number of non decent social sector dwellings since 2001

[§] The indicators are the minimum required for the purposes of meeting ODPM PSA1. We recognise that there are others you would wish to use which will contribute to the specified outcomes. To demonstrate how the LAA will narrow the gap between the most disadvantaged neighbourhoods and groups and the rest we would expect to see priority neighbourhoods and groups listed in the LAA and included in the indicators and targets. Neighbourhood Renewal Funding comes to an end in 2008 and the guidance will be updated to reflect the post-2008 position once the outcome of the Comprehensive Spending Review 2007 is known.

Funding stream	Outcomes	Indicator
	<ul style="list-style-type: none"> • Improve the quality of the local environment by reducing the gap in aspects of liveability between the worst wards/neighbourhoods and the district as a whole, with a particular focus on reducing levels of litter and detritus 	<ul style="list-style-type: none"> • Reduction by 2008 in levels of litter and detritus using BV199 at district level
	<ul style="list-style-type: none"> • Reduce premature mortality rates and reduce inequalities in premature mortality rates between wards/neighbourhoods with a particular focus on reducing the risk factors for heart disease, stroke and related diseases (CVD) (smoking, diet and physical activity) 	<ul style="list-style-type: none"> • Reduce premature mortality rates from heart disease and stroke and related diseases so that the absolute gap between the national rate and the rate for the district is reduced by [x]% by 2010 [x to be agreed as part of the contribution to the reduction in the gap between the Spearhead Group and the England average (national PSA target)] • Reduce the gap in premature mortality rates between the most deprived 20% of wards/neighbourhoods and the least deprived 20% of wards/neighbourhoods with a particular focus on reducing the gap in smoking prevalence in those areas
	<ul style="list-style-type: none"> • For those living in the wards with the worst labour market position that are also located within the districts in receipt of NRF, significantly improve their overall employment rate and reduce the difference between their employment rate and the overall employment rate for England 	<ul style="list-style-type: none"> • An improvement by 2007/8 of at least one percentage point in the overall employment rate for those living in the Local Authority wards with the worst labour market position that are also located within the Local Authority District in receipt of NRF • A reduction by 2007-8 of at least one percentage point of the difference between the overall employment rate for Great Britain and the employment rate of those living in the local authority wards with the worst labour market position that are also located within Local Authority Districts in receipt of NRF
<p>SSCF Neighbourhood Element and Neighbourhood Management Pathfinder Funding Element</p>	<ul style="list-style-type: none"> • Improved quality of life for people in the most disadvantaged neighbourhoods; service providers more responsive to neighbourhood needs; and improved service delivery 	<ul style="list-style-type: none"> • Percentage of residents (in areas receiving these SSCF funding elements) reporting an increase in satisfaction with their neighbourhoods

Funding stream	Outcomes	Indicator
SSCF cleaner, safer, greener element	<ul style="list-style-type: none"> Cleaner, greener and safer public spaces. 	<ul style="list-style-type: none"> Environmental quality, as measured by BVPI 199 and 89 in combination, which measure perceptions of cleanliness. Quality of surroundings – increase in number of green flag award parks and green space and public satisfaction (BV119e) An increase in the percentage of abandoned vehicles removed within 24 hours from the point where the local authority is legally entitled to remove the vehicle (BVPI 1218b).
Local Enterprise Growth Initiative	<ul style="list-style-type: none"> Increase total entrepreneurial activity amongst the population in deprived areas 	<ul style="list-style-type: none"> Indicators at neighbourhood and priority group level to be agreed in negotiation
	<ul style="list-style-type: none"> Support the sustainable growth, and reduce the unnecessary failure, of locally owned business in deprived areas 	<ul style="list-style-type: none"> Indicators at neighbourhood and priority group level to be agreed in negotiation
	<ul style="list-style-type: none"> Attract appropriate inward investment and franchising into deprived areas, making use of local labour resources 	<ul style="list-style-type: none"> Indicators at neighbourhood and priority group level to be agreed in negotiation
Connexions funding	<ul style="list-style-type: none"> Achieve Economic Well-being 	<ul style="list-style-type: none"> Percentage of 16-18 year olds not in education, employment or training
Home Fire Risk Check And Fire Prevention Grant	<ul style="list-style-type: none"> Increase domestic fire safety and reduce arson 	<ul style="list-style-type: none"> Indicators at neighbourhood and priority group level to be agreed in negotiation
Supporting People	<ul style="list-style-type: none"> The outcomes framework for Supporting People is being developed within the Supporting People strategy by ODPM and will be ready in the early summer 	<ul style="list-style-type: none"> To be developed alongside the outcomes
New Growth Points Funding	<ul style="list-style-type: none"> Increase housing supply in a sustainable way 	<ul style="list-style-type: none"> Increase housing supply in a sustainable way
Waste Performance and Efficiency Grant	<ul style="list-style-type: none"> Reduce waste to landfill and increase recycling 	<ul style="list-style-type: none"> Reduction in the percentage of municipal waste landfilled Increase in the percentage of municipal waste recycled
School Travel Advisors	<ul style="list-style-type: none"> Be healthy 	<ul style="list-style-type: none"> Modal share in travel to school
Teenage Pregnancy Grant	<ul style="list-style-type: none"> Be healthy 	<ul style="list-style-type: none"> Reduction in the under 18 conception rate

Full Outcomes Framework

1. The following tables set out a comprehensive set of optional outcomes and indicators for each block of the LAA, in addition to the mandatory outcomes and indicators listed in the previous table which are shown in red in the following tables. All of these outcomes and indicators are eligible for reward element (with one exception set out in Annex F).
2. It should be noted that the indicators throughout this Outcomes Framework can and should be applied to specific groups (especially socially excluded and disadvantaged groups) where evidence suggests that they may be suffering particularly poor outcomes.
3. Please see p.48 for guidance on Sure Start.

Table 1 – Children and Young People Block A diagram setting out all of the Change for Children outcomes and aims can be found at http://www.everychildmatters.gov.uk/aimns/outcomes	
Indicators marked with a double asterisk (**) do not appear in the Every Child Matters framework but are illustrative examples of relevant additional indicators local areas can or have used.	
Outcomes	Indicators
Stay safe	<ul style="list-style-type: none"> • Number of 0-15 year olds killed or injured in road traffic accidents • Number of re-registrations on child protection register* • Number of children of families placed in temporary accommodation by local authorities under the homelessness legislation, who are on the child protection register ** • Percentage of 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 • Percentage of care cases completed in the courts within 40 weeks • Percentage of 11 to 15 year olds who state they have been bullied
Be Healthy	<p>Mandatory where School Travel Advisors Grant is received</p> <ul style="list-style-type: none"> • Modal share in travel to school <p>Mandatory where teenage pregnancy grant is received</p> <ul style="list-style-type: none"> • Reduction in the under 18 conception rate <p><i>Other Possible Indicators</i></p> <ul style="list-style-type: none"> • Percentage of schools achieving the National Healthy Schools standard • Under 18 conception rate • Prevalence of obesity among primary school aged children • Low birth weight births ** • Smoking during pregnancy and after birth ** • Breastfeeding initiation and continuation ** • Percentage of children who are regular smokers • Percentage of young people drinking alcohol • Percentage of children consuming 5 portions of fruit and vegetables a day • Percentage of young people taking illegal drugs in the last month • Percentage of sexually active population aged 15-24 being screened for chlamydia • Proportion of those in drugs treatment under 18 **

* Not eligible for performance reward grant (see para. 4 of Annex F).

Outcomes	Indicators
	<ul style="list-style-type: none"> • Proportion of under 18 year olds in drug treatment with young people's services** • The percentage of 5-16 year olds participating in a minimum of two hours each week of high quality PE and school sport, within and beyond the curriculum • Numbers of families with children placed in temporary accommodation under the homelessness legislation/aggregate number of days spent by families with children in temporary accommodation ** • The percentage of young people participating in at least one hour of moderate intensity sport and physical activity each week ** • Access to health services for looked after children **
<p>Enjoy and Achieve</p> <p>Raise standards in English, maths, and science in secondary education so that, by 2008, in all schools located in the districts in receipt of NRF, at least 50% of pupils achieve level five or above in each of English, maths and science (mandatory for areas in receipt of Neighbourhood Renewal Funding)</p>	<p>Mandatory for areas in receipt of Neighbourhood Renewal Funding</p> <ul style="list-style-type: none"> • By 2008 all schools located in Local Authority Districts in receipt of NRF to ensure that at least 50% of pupils achieve level five or above in each of English, maths and science. <p><i>Other possible indicators</i></p> <ul style="list-style-type: none"> • Accessibility of safe play areas and opportunities ** • Half days missed through absence • Level of school attendance among children of families living in temporary accommodation ** • Level of development reached at the end of the foundation stage, including narrowing the gap in the 20% most disadvantaged areas • Percentage of seven year olds achieving at least level two at Key Stage One • Percentage of 11 year olds achieving level four in English and Maths at Key Stage Two • Educational achievement of 11 year old looked after children compared to their peers • Percentage of year 11 pupils achieving the equivalent of five GCSE Grades A* to C including English and maths • Percentage of 14 year olds achieving at least level five in English, Maths, Science and ICT at Key Stage Three • Educational achievement of 14 year old looked after children compared to their peers • Percentage of 16 year olds achieving equivalent of five A*-C GCSEs • Educational achievement of 16 year old looked after children compared to their peers • Number of 11-19 year olds using sports and leisure facilities ** • Percentage of children attaining key stage two standard for swimming ** • Take up of cultural opportunities by five-16 year olds ** • Number of educational opportunities for young people delivered by arts organisations, architecture and heritage bodies, sports organisations, music services, museums and galleries ** • Participation in sporting and cultural activities, both in and out of school, particularly by priority groups ** • Percentage of children benefiting from children's libraries facilities and activities including Bookstart, homework clubs, the Summer Reading Challenge and early years activities ** • Percentage of a) pupils of compulsory school age and b) pupils of compulsory school age in receipt of free school meals within 15 and 30 minutes of a primary school and 20 and 40 minutes of a secondary school by public transport ** • Percentage of 16-19 year olds within 30 and 60 minutes of a further education establishment by public transport **

Outcomes	Indicators
Achieve Economic Well-being	<p>Mandatory where Connexions funding is received</p> <ul style="list-style-type: none"> • Percentage of 16-18 year olds not in education, employment or training <p><i>Other Possible Indicators</i></p> <ul style="list-style-type: none"> • Percentage of 19 year olds achieving level two or equivalent • Number of young offenders in education, training and employment • Percentage of 18-30 year olds participating in higher education • Number of parents not in education, employment or training • Number of vulnerable people living in social housing and the private rented sector in homes in a decent condition (“vulnerable people” includes children) • Level of material deprivation and low income of families with children • Percentage of children living in low-income households • Number of low income families in fuel poverty ** • Percentage of children in households with no one in work • Stock and take up of childcare for all families • Percentage of lone parents in sustainable employment ** • Take up of correct benefit and tax credit entitlements ** • Percentage of social housing and vulnerable households in the private sector in a decent condition ** • Number of children in households without a bank account of any kind ** • Number of low-income families able to borrow at affordable rates ** • Number of low-income families in over-indebtedness ** • Literacy attainment of pupils in lowest quartile of achievement **
Make a Positive Contribution	<ul style="list-style-type: none"> • Percentage of children in secondary schools participating in a) election of school council members, and b) mock general elections • Voluntary and community engagement by children • Reduce the proportion of young offenders who re-offend • Permanent and fixed period exclusions from school • Percentage of 10-19 year olds admitting to a) bullying another pupil, and b) attacking, threatening or being rude due to skin colour, race or religion • Developing self confidence and successfully dealing with significant life changes and challenges (measure to be identified from Children’s Perception Survey)

Table 2 – Safer and Stronger Communities Block	
Outcomes	Indicators
Reduce Crime	<p>Mandatory Indicators</p> <ul style="list-style-type: none"> Reduction in overall British Crime Survey comparator recorded crime. Targets must be those as agreed between crime and drugs partnerships^{††} and GOs to support delivery of Home Office PSA1. A County level target will need to reflect the targets of the crime and drugs partnerships, and any aggregation will need to be agreed with the GO. Reduce the proportion of adult and young offenders, and prolific and other priority offenders who re-offend. <p><i>Other Possible Indicators</i></p> <ul style="list-style-type: none"> Increase the proportion of prolific and other priority offenders judged as having sustainable and settled accommodation at the end of their contact with probation Increase the number of prolific and other priority offenders who successfully achieve the Basic Skills Award Reduce recorded convictions of identified prolific and other priority offenders by a minimum of 15% per annum Reduce the number of first time entrants to the youth justice system Reduction in violent crime, including alcohol related violence, domestic violence, sexual offences, hate crime and the use of weapons. Increase proportion of violent offences which result in sanction detentions Increase the proportion of offences which are brought to justice Reduction in recorded criminal damage (including damage not included in BCS comparator crime, such as that to commercial and public property)
Reduce overall crime in line with local Crime and Disorder Reduction Partnership targets and narrow the gap between the worst performing wards/ neighbourhoods and other areas across the district	<p>Mandatory for areas in receipt of NRF</p> <ul style="list-style-type: none"> Reduction in overall British Crime Survey comparator recorded crime. Targets must be those as agreed between crime and drugs partnerships and GOs to support delivery of Home Office PSA1. A County level target will need to reflect the targets of the crime and drugs partnerships, and any aggregation will need to be agreed with the GO.
Reassure the public, reducing the fear of crime	<p>Mandatory Indicators</p> <ul style="list-style-type: none"> Indicators to be agreed in negotiations <p><i>Other Possible Indicators</i></p> <ul style="list-style-type: none"> Reduction in the proportion of adults saying that they are in fear of being a victim of crime
Reduce the harm caused by illegal drugs	<p>Mandatory Indicator</p> <ul style="list-style-type: none"> Reduce public perceptions of local drug dealing and drug use as a problem <p><i>Other Possible Indicators</i></p> <ul style="list-style-type: none"> Increase in the number of drug misusing offenders directed into treatment through the Drugs Interventions Programme Reduction in the proportion of illegal drug users remaining in treatment for 12+ weeks Reduction in drug related crime Increase in the proportion of drug misusing offenders accommodated within suitable accommodation

^{††}The term 'crime and drugs partnerships' refer to all local arrangements covering the roles of Crime and Disorder Partnerships (CDPs) and Drug Action Teams (DATs). CDRPs and DATs should either be merged or have close working relationships.

Outcomes	Indicators
<p>Build Respect in communities and reduce anti-social behaviour</p>	<p>Mandatory Indicators</p> <p>(The following indicators should draw on data in the Local Government User Satisfaction Survey)</p> <ul style="list-style-type: none"> • Increase in percentage of people who feel informed about what is being done to tackle anti-social behaviour in their local area • Increased percentage of people who feel that parents in their local area are made to take responsibility for the behaviour of their children • Increased percentage of people who feel that people in their area treat them with respect and consideration • Reduce people’s perceptions of ASB (using the 7 issues stated in the Survey) <p><i>Other Possible Indicators</i></p> <ul style="list-style-type: none"> • Indicators measuring the use of particular initiatives (such as Anti-Social Behaviour Orders (ASBOs) coupled with a ‘change in behaviour’ such as improvements in school attendance • A reduction in the proportion of people who breach an anti-social behaviour intervention (including ASBOs, injunctions, Acceptable Behaviour Contracts) • Measurements of other types of ASB – environment or other criminal activity which are recorded as a crime type (usually by the police) – e.g. criminal damage, incidents of graffiti, abandoned cars and fly-tipping
<p>Empower local people to have a greater choice and influence over local decision making and a greater role in public service delivery</p>	<p>Mandatory Indicators</p> <ul style="list-style-type: none"> • Percentage of residents who feel they can influence decisions affecting their local area • Percentage of people who feel that their local area is a place where people from different backgrounds get on well together • An increase in the number of people recorded as or reporting that they have engaged in formal volunteering on an average of at least two hours per week over the past year <p><i>Other Possible Indicators</i></p> <ul style="list-style-type: none"> • Increase in the percentage of residents who feel they can influence decisions affecting their area • Increase in the percentage of residents who affirm that they carried out voluntary work in an organisation at least three times in the past year • Strengthen the engagement of rural residents through governance roles and by identifying local needs and actions to tackle them • Increase in the number of town and parish councils attaining Quality Status
<p>Cleaner, greener and safer public spaces</p>	<p>Mandatory where SSCF cleaner, safer, greener element is received</p> <p>Environmental quality, as measured by BVPI 199 and 89 in combination, which measure perceptions of cleanliness.</p> <ul style="list-style-type: none"> • Quality of surroundings – increase in number of green flag award parks and green space and public satisfaction (BV119e) • An increase in the percentage of abandoned vehicles removed within 24 hours from the point where the local authority is legally entitled to remove the vehicle (BVPI 1218b). <p><i>Other Possible Indicators</i></p> <ul style="list-style-type: none"> • Percentage 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. • A reduction in the number of incidents of fly-tipping using data as recorded on the Flycapture database • Reducing levels of noise nuisance in residential neighbourhoods. • Improvements in Air Quality – local concentrations of specific air pollutants: (where local authorities have declared air quality management areas (AQMAs) in respect of nitrogen dioxide (NO₂) and in some cases PM₁₀, mainly due to road transport.)

Outcomes	Indicators
Tackling climate change through reduced greenhouse gas emissions	<ul style="list-style-type: none"> • Improving the energy efficiency/carbon performance of operational property and/or community organisations (VCS and private sector) and/or housing stock • Proportion of renewable electricity generated /electricity generation from renewable and non-renewable sources • Emissions of carbon or carbon dioxide
Increased access to and enjoyment of green spaces and the countryside	<ul style="list-style-type: none"> • To improve river water quality • Protect and enhance biodiversity – to conserve and enhance wildlife and the rural landscape and promote access and understanding by all • Public access to green spaces or condition of green spaces • Rights of way – access to the countryside: to increase visitor access to the countryside
Reduce waste to landfill and increase recycling	<p>Mandatory where Waste Performance and Efficiency Grant is received</p> <ul style="list-style-type: none"> • Reduction in the percentage of municipal waste landfilled • Increase in the percentage of municipal waste recycled
Improve the quality of the local environment by reducing the gap in aspects of liveability between the worst wards/neighbourhoods and the district as a whole, with a particular focus on reducing levels of litter and detritus	<p>Mandatory where NRF is received</p> <ul style="list-style-type: none"> • Reduction by 2008 in levels of litter and detritus using BVP 199 at district level. <p><i>Other Possible Indicators</i></p> <ul style="list-style-type: none"> • Increase satisfaction with cleanliness of streets measured by BV89 • Reduction in households experiencing poor quality environment measured by EHCS • Quality of surroundings – for example through increasing number of Green Flag Awards in most deprived wards • Increase satisfaction with local parks and green spaces • Protect and enhance biodiversity – to conserve and enhance wildlife and the rural landscape and promote access and understanding by all^{††} • Transport – modal split and travel to work modal split • To improve river water quality • Ratio of area of local nature reserve to population • Public access to or condition of green spaces • Emissions of air pollutants • Environmental quality, as measured by BVPI 199 and 89 in combination • An increase in the percentage of abandoned vehicles removed within 24 hours from the point where the local authority is legally entitled to remove the vehicle (BVPI 1218b)
Improved quality of life for people in the most disadvantaged neighbourhoods; service providers more responsive to neighbourhood needs; and improved service delivery (mandatory where SSCF neighbourhood management pathfinders funding received)	<p>Mandatory Indicator where SSCF neighbourhood element and neighbourhood management pathfinders funding are received</p> <ul style="list-style-type: none"> • Percentage of residents (in areas receiving this funding) reporting an increase in satisfaction with their neighbourhoods. <p><i>Other Possible Indicators</i></p> <ul style="list-style-type: none"> • Percentage of residents in satisfied with delivery of local services and believing service providers are more responsive to their needs • Percentage of residents who feel that their local area is a place where people from different backgrounds can get on well together

^{††} The Countryside Agency's "Countryside Quality Indicators" and the England Biodiversity Strategy progress indicators provide strong bases for setting targets. Examples include: condition and change in condition of SSSIs; numbers of farmland/woodland birds; level of use of rights-of-way and access land; volunteer time spent in conservation activity; number of visits to nature reserves.

Outcomes	Indicators
<p>As part of an overall housing strategy for the district, improve housing conditions within the most deprived neighbourhoods/wards, with a particular focus on ensuring that all social housing is made decent by 2010 (mandatory where neighbourhood renewal funding is received)</p>	<p>Mandatory Indicators where NRF is received</p> <ul style="list-style-type: none"> • The two year combined sample (2005/6 to 2006/7) from the continuous English Household Condition Survey (EHCS) reporting in 2007 confirms that the reduction in the number of non-decent social sector dwellings is more than 50% of the total reduction in the number of non-decent social sector dwellings since 2001. • The two year combined sample (2007/8 to 2008/9) from the continuous EHCS reporting in 2009 confirms that the reduction in the number of non-decent social sector dwellings is more than 50% of the total reduction in the number of non-decent social sector dwellings since 2001. <p><i>Other Possible indicators</i></p> <ul style="list-style-type: none"> • To increase the number of affordable housing units secured via planning agreements • Reduce homelessness in the local area • Level of energy efficiency of housing occupied by vulnerable groups (measured by SAP rating) • Number of vulnerable households in fuel poverty (identified through local area indicators such as local level data on areas of deprivation or more sophisticated tools such as the Affordable Warmth index) • Successful referrals to the Warm Front Scheme (NB: this could be acceptable as a stand-alone indicator but would be expected to be an intrinsic part of either of the two indicators above)
<p>To increase domestic fire safety and to reduce arson</p>	<p>Mandatory Indicator where Home Fire Risk Check and/or Fire Prevention Grant received</p> <p><i>Indicators at neighbourhood and priority group level to be agreed in negotiation.</i></p>
<p>Reduce re-offending (through addressing the housing and support needs of offenders)</p>	<ul style="list-style-type: none"> • Number of prisoners with an address to go to on discharge (existing Reducing Re-offending Delivery Plan KPI) • Percentage of offenders into suitable accommodation at the end of an order/licence compared with the start (Reducing Re-offending Delivery Plan shadow measure 2006-2007) • Number of prisoners who are registered with a general practice in the area to which they go on discharge • Number of offenders in settled and suitable accommodation at end of order/licence • Proportion of prolific and other priority offenders judged as having settled accommodation at the end of the contact with probation • Number of offenders in receipt of housing-related support services funded by Supporting People
<p>Improved services for victims of domestic violence through targeted schemes</p>	<ul style="list-style-type: none"> • Number of victims of domestic violence enabled to remain in their own accommodation through sanctuary schemes • Reduction in number of cases accepted as homeless due to domestic violence • Number of perpetrators of DV who are evicted as a result of contravening clauses in their tenancy agreement (BVPI 1225)
<p>Enrich individual lives, strengthen communities and improve places where people live through culture and sport, including libraries and the historic environment</p>	<ul style="list-style-type: none"> • Take up of cultural opportunities by people aged 16 and above, in particular from priority groups or new users • Visits by priority groups to historic environment sites, especially from ethnic minority, socially deprived groups and people with disabilities • Visits by new users to museums, especially from under-represented groups • Attendance and participation in the arts by under-represented groups • Maintaining the character and distinctiveness of local communities by reducing the number of listed buildings at risk and effective management of conservation areas (BV219)
<p>Affordability of Rural Housing</p>	<ul style="list-style-type: none"> • Increase the availability of affordable rural housing units

Table 3 – Healthier Communities and Older People Block	
Outcomes	Indicators
Improved Health and reduced health inequalities	<p>Mandatory Indicators</p> <ul style="list-style-type: none"> • Spearhead Areas: Reduce health inequalities between the local authority area and the England population by narrowing the gap in all-age, all-cause mortality • <i>All other areas (optional for Spearhead Areas)</i> – reduce health inequalities within the local area, by narrowing the gap in all-age, all-cause mortality
Reduce premature mortality rates and reduce inequalities in premature mortality rates between wards/neighbourhoods with a particular focus on reducing the risk factors for heart disease, stroke and related diseases (CVD) (smoking, diet and physical activity)	<p>Mandatory for areas in receipt of NRF</p> <ul style="list-style-type: none"> • Reduce premature mortality rates from heart disease and stroke and related diseases so that the absolute gap between the national rate and the rate for the district is reduced by [x]% by 2010 [x to be agreed as part of the contribution to the reduction in the gap between the Spearhead Group and the England average (national PSA target)] • Reduce the gap in premature mortality rates between the most deprived 20% of wards/neighbourhoods and the least deprived 20% of wards/neighbourhoods with a particular focus on reducing the gap in smoking prevalence in those areas <p><i>Other Possible Indicators</i></p> <ul style="list-style-type: none"> • Mortality rates from heart disease and stroke in people aged under 75 • Road safety: numbers killed and seriously injured • Number of four week smoking quitters • Number of test purchases of underage tobacco sales • Smoking prevalence • Number of recorded obese individuals losing weight through a personalised weight management programme • Numbers of individuals served by Community Mental Health Teams receiving crisis resolution, assertive outreach and early intervention • Number of schools achieving Healthy School Status • Improved access to employment, training and housing for those in drugs treatment or leaving drugs treatment • Number of drug treatment completions • Percentage of individuals consuming five portions of fruit and vegetables a day • Number of new diagnoses of gonorrhoea • Number of new diagnoses of syphilis • Alcohol-related hospital admissions, rate per 100,000 population per year • Percentage uptake of routine childhood immunisations • Proportion of adults achieving at least 30 minutes of moderate intensity physical activity through walking • Modal split and travel to work modal split (walking and cycling) • Percentage of children walking or cycling to school • Prevalence of obesity among primary school aged children • Low birth weight births • Smoking during pregnancy and after birth • Breastfeeding initiation and continuation rates • Percentage of children who are regular smokers • Percentage of young people drinking alcohol • Percentage of children consuming five portions of fruit and vegetables a day • Percentage of sexually active population aged 15-24 being screened for chlamydia • Numbers of individuals under 18 in treatment and successfully completing treatment for drug abuse

Outcomes	Indicators
	<ul style="list-style-type: none"> • Air Quality – local concentrations of specific air pollutants (where local authorities have declared air quality management areas (AQMAs) in respect of nitrogen dioxide (NO₂) and in some cases PM₁₀, mainly due to road transport)
Improved Quality of Life	<ul style="list-style-type: none"> • Number of people aged 75 or over admitted to hospital as a result of falls • Improving the quality of life of people aged 65 and over using home services • Percentage of households (including those without access to a car) within 30 and 60 minutes of a hospital with an outpatients' facility by public transport • Percentage of households (including those without access to a car) within 15 and 30 minutes of a GP by public transport • Local food procurement: percentage of all public sector organisations adhering to healthier nutritional standards • Transport planning and provision that takes account of needs of older people in availability and accessibility • Rights of way and improved access to the countryside
Making a Positive Contribution	<ul style="list-style-type: none"> • Numbers of older people using local facilities such as libraries, educational courses, leisure facilities, volunteering and participating more in the community generally, including services for older people helped to live at home • Number of employees over 50 • Number of job opportunities for people over 60/65, supported by appropriate training
Increase Choice and Control	<ul style="list-style-type: none"> • Number of emergency unscheduled bed days occupied by a person aged 75 or over • Proportion of older people supported to live in their own home • Percentage of the population that are within 20 minutes travel time (urban areas by walking, rural areas by car) of three different types of sports facilities, of which one has achieved a quality assured standard • Adults and older people receiving direct payments on an ongoing basis
Achieve Freedom from Discrimination	<ul style="list-style-type: none"> • Services and amenities give particular consideration to older people • Numbers of older people in hard to reach groups able to access and participate in community activity
Achieve Economic Well-being	<ul style="list-style-type: none"> • Numbers of older people in work • Annual average income of specific groups of older people (suggested measures are take up of specified benefits e.g. attendance allowance, Council Tax Benefit, Pension Credit, Housing Benefit) • Take up of Pension Credit • Level of energy efficiency of housing occupied by vulnerable groups • Number of vulnerable households in fuel poverty • Successful referrals to the Warm Front scheme (this could be acceptable as a stand-alone indicator but would be expected to be an intrinsic part of either of the two indicators above)
Increase Personal Dignity	<ul style="list-style-type: none"> • Number of older people living in decent homes, whether social housing or privately owned
Reduce Injuries and Improve Health at Work	<ul style="list-style-type: none"> • Incident rate of fatal and major injuries at work • Number of working days lost from work-related injuries and ill health • Annual incidence rate of new cases of work related ill health

Table 4 – Economic Development Block

Outcomes	Indicators
<p>Increase Employment</p> <p>Mandatory for areas in receipt of NRF</p> <p>For those living in the wards with the worst labour market position that are also located within the districts in receipt of NRF, significantly improve their overall employment rate and reduce the difference between their employment rate and the overall employment rate for England.</p>	<p>Mandatory for areas in receipt of NRF</p> <ul style="list-style-type: none"> • An improvement by 2007/8 of at least one percentage point in the overall employment rate for those living in the Local Authority wards with the worst labour market position that are also located within the Local Authority District in receipt of NRF • A reduction by 2007-8 of at least one percentage point of the difference between the overall employment rate for Great Britain and the employment rate of those living in the local authority wards with the worst labour market position that are also located within Local Authority Districts in receipt of NRF <p><i>Other Possible Indicators</i></p> <ul style="list-style-type: none"> • Employment rates of lone parents, ethnic minorities, people aged 50 and over, those with the lowest qualifications, people with disabilities, and disadvantaged areas • The number of unemployed offenders that find and keep employment or vocational training for four weeks (shadow probation measure for those being supervised) • Reduce the incidence of child poverty, contributing to the national targets of halving child poverty by 2010 • Number of people claiming Job Seekers Allowance • Reductions in the number of young people not in Education, Employment or Training • Rate of economic activity • Number of people helped from disadvantaged groups and areas into sustained work of 16 hours a week or more for 13 consecutive weeks or more • The number of people moving off inactive benefits • The take-up of correct benefit and tax credit entitlements • Percentage of a) people of working age and b) people in receipt of Jobseekers' allowance within 20 and 40 minutes of work by public transport
<p>Increasing Enterprise</p> <p>Increase total entrepreneurial activity among the population in deprived areas</p>	<p>Mandatory for areas in receipt of LEGI</p> <ul style="list-style-type: none"> • Indicators at neighbourhood and priority group level to be agreed in negotiation <p><i>Other Possible Indicators</i></p> <ul style="list-style-type: none"> • Local SME business survival rate • Number of new businesses created and demonstrating growth after 12 months • Business satisfaction with business support provision • Number of people starting up in business or becoming self-employed, including those currently economically inactive • VAT registrations • Self-employment rate • New start-ups supported • New social enterprises

Outcomes	Indicators
<p>Increasing Competition</p> <p>Support the sustainable growth, and reduce the unnecessary failure, of locally owned businesses in deprived areas</p>	<p>Mandatory for areas in receipt of LEGI</p> <ul style="list-style-type: none"> • Indicators at neighbourhood and priority group level to be agreed in negotiation <p><i>Other Possible Indicators</i></p> <ul style="list-style-type: none"> • Employment by sector • Number of businesses assisted to improve their performance • Level of reported crime against business
<p>Increasing Investment</p> <p>Attract appropriate inward investment and franchising into deprived areas, making use of local labour resources</p>	<p>Mandatory for areas in receipt of LEGI</p> <ul style="list-style-type: none"> • Indicators at neighbourhood and priority group level to be agreed in negotiation
<p>Increasing Skills</p>	<ul style="list-style-type: none"> • Number of people assisted in their skills development to include <ul style="list-style-type: none"> – Number of adults gaining basic skills as part of the Skills for Life Strategy – Number of basic skills awards to offenders in custody and the community – Number of adults who are supported in achieving at least a full first level two qualification or equivalent – Skills levels in particular business sectors – Increased take-up of adult learning opportunities through public libraries
<p>Increase housing supply in a sustainable way</p>	<p>Mandatory for areas in receipt of New Growth Points Funding</p> <ul style="list-style-type: none"> • Increase housing supply in a sustainable way by at least 20% above the Sustainable Communities Plan baseline (i.e. pre-2003 levels), with overall housing growth of at least 500 homes per year in the local authority area <p><i>Other Possible Indicators</i></p> <ul style="list-style-type: none"> • Increase housing supply in a sustainable way by at least 20% above the Sustainable Communities Plan baseline (i.e. pre-2003 levels), with overall housing growth of at least 500 homes per year in the local authority area • Completion of preparatory works for major development sites, including: site clearance/remediation works and provision of site infrastructure to allow development to proceed • Completion of stages of construction for key infrastructure projects (e.g. town centre improvements, transport projects, health/education/civic/cultural amenities, green infrastructure) • Completion of construction phases of housing for sale • Number of homes delivered in the local authority area • Number of jobs created or safeguarded in the local authority area • Amount of private sector investment attracted to site/intervention • % of new housing within the growth point that meets level three in the Code for Sustainable Homes • Improved energy efficiency/carbon performance of new housing stock (measured under sustainable production and consumption targets) • Investment in reclaiming and redeveloping brownfield land • Level of local transport congestion • Average travel to work times • Rate of planning applications processed to the nationally set standards • Number of businesses attracted to the area • Reduction of vacancy rates of commercial premises

Outcomes	Indicators
Increasing Innovation	<p>Mandatory for areas in receipt of LEGI</p> <ul style="list-style-type: none"> • Increase total entrepreneurial activity among the population in deprived areas – Indicators at neighbourhood and priority group level to be agreed in negotiation <p><i>Other Possible Indicators</i></p> <ul style="list-style-type: none"> • Percentage of sales accounted for by new or improved products • Number of patents granted • Knowledge transfer from HEIs – spinouts created • Facilitating Research and Development investment • Facilitating hi-tech businesses
Develop Sustainable Production and Consumption	<ul style="list-style-type: none"> • Increasing the number of businesses participating in environmental management systems • Increasing the number of businesses participating in corporate social responsibility initiatives • Proportion of spend on sustainable procurement • Percentage of food products used being locally produced and supplied • Recycling of non-biodegradable non-municipal commercial waste • Proportion of renewable electricity generated/electricity generation from renewable and non-renewable sources • Improving the energy efficiency /carbon performance of operational property and/or community organisations (VCS and private sector) and/or housing stock

Annex B

Roles and Responsibilities

The role of Central Departments

1. Through the negotiation and signature of the LAA, Central Government agrees to include the identified funding streams and agreed enabling measures and agrees to the outcomes, indicators and targets in the LAA. Government will ensure that for centrally pooled funding in an LAA the monitoring and reporting of that funding (financial and performance) is only through the LAA mechanisms unless otherwise specified in this guidance document. ODPM will co-ordinate or lead on LAA issues that affect several Government Departments.

The role of the Government Offices

2. Government Offices have a vital role in Central Government's focus on places, by working with local and regional partners to determine priorities and stretch performance.
3. Government Offices represent Central Government in the LAA discussions, both during agreement of the LAA and in monitoring performance thereafter. They will assess the capacity needs of the local area as part of the negotiation using the Assessment Tool developed specifically for this purpose and the Government Office will ensure that this is reflected in the final agreement. The LSP will be able to access support from Government. GOs will also ensure that all appropriate partners are involved in negotiations, including local people and the Voluntary and Community Sector, and representative groups where a key partner is unavailable. They will also ensure that regional priorities and strategies are reflected in LAAs.
4. The GOs will also be responsible for managing the six-monthly reviews of performance and financial monitoring of the LAA, and will consider and feed back as appropriate to central departments. GOs will ensure that systems for performance management are in place or being developed for each area as part of their recommendation that individual agreements should be signed off.
5. Where an area's performance is identified by Government Offices to be off trajectory, Government Offices will be responsible for working with areas to manage their performance back up to agreed levels. This should follow the performance ladder of intervention as set out in Annex C. In some places, GO engagement will need to be intense. In others it should be minimal and geared to promoting and sharing good practice.

The role of local authorities

6. The *upper tier local authority* will be the accountable body for the financial management of the LAA and for ensuring that robust performance management arrangements are in place. It is also responsible for ensuring that there are clear leads for each of the targets in the LAA, so that individual partners within the LSP are responsible and can be held accountable to Government for delivery against these targets. Where a target requires the input of a number of different partners, the main contributors should be detailed and a leading contributor should be identified.
7. In two-tier areas, *district councils* are critical partners in the development of the LAA. Where funding is allocated for district-level issues, for example Neighbourhood Renewal Funding, Neighbourhood Management Pathfinder, or the Neighbourhood and Cleaner, Safer, Greener Elements of the SSC block, the LAA outcomes and targets must reflect the needs of the disadvantaged neighbourhoods in the specific district.

The role of the Local Strategic Partnership (LSP)

8. The upper tier LSP or equivalent partnership will be responsible for the overarching development and delivery of the LAA with lead partners accountable for the delivery of individual targets. It is expected increasingly to drive the delivery and implementation of LAAs.
9. For many LSPs this represents a significant challenge, so it is important that LSPs agree with their GO any additional capacity-building support required. This will then be reflected in their agreement. At present there is a variety of different support available. The toolkit provides an overview of this support, which includes support already available to local authorities, partner bodies and existing thematic partnerships. A significant area of support targeted at LSPs is available through the range of tailored support for LSPs receiving NRF, provided by NRU. This includes performance management specialists, neighbourhood renewal advisors, web-based toolkits – floor targets interactive and delivery skills training. This support is now being made more widely available to include non-NRF LSPs preparing LAAs. Further capacity building support is available from IDeA for health partnerships, including PCTs and Local Authorities, in developing the health theme and the health components of other themes. This is already being developed by the Department of Health in conjunction with IDeA.
10. The Government has recently concluded a consultation on the role, governance, accountability and capacity of LSPs. The outcome of this consultation will further inform the part to be played by LSPs in taking forward LAAs. We do not propose to specify in detail at a national level LSP internal structures. However, evidence shows that the basic structure of an LSP should include some form of core body, which is able to take decisions on behalf of the partnership and which is underpinned by the local thematic partnerships which will effectively be the delivery mechanisms for the LSP and its LAA. The key partners and lead

representatives of the main thematic partnerships, such as the Children's Trust, Crime and Disorder Reduction Partnership, the local economic partnership and local health partnership would be expected to be a core member of the board.

11. Local partners are individually responsible for delivery of outcomes or targets that they agree to deliver as part of the LAA. They are accountable for the delivery of those actions to the LSP as a whole. They are also financially accountable to the LAA Accountable Body for any funding given them from the LAA pot to support those outcomes or targets. We expect the LSP's core body, together with the Local Authority Overview and Scrutiny Committee, to ensure that cross-cutting themes are implemented through the LAA.
12. We would expect district-level LSPs to be a full partner in the County LSP and thereby in the development of the LAA.

The role of local people and the voluntary and community sector (VCS)

13. Community engagement and delivery by the voluntary sector are very important elements in the development of LAAs. Successful LAAs will fully involve all relevant stakeholders including, in particular, the VCS and local people in helping to identify, shape and deliver local services. This also helps to build community cohesion, which is a key building block of sustainable communities. The VCS should already be represented on the LSP and the LSP should be encouraged to include community representatives. Areas should look to build the infrastructure or capacity building services being developed through *Change Up*^{§§}, where relevant, and the community capacity building framework provided through "Firm Foundations"^{***}, both of which can be aligned with the LAA. Rural areas should also consider how best to use the Rural and Social Community programme which is paid as part of the LAA.
14. In addition, local compacts form the basis of the partnership with the voluntary and community sector, setting out the rules for engagement between local public sector bodies, including local authorities, and local voluntary and community sector organisations. Further information on Local Compacts can be found at www.thecompact.org.uk. Local Compacts are in place or under development in 98% of local authority areas, with LSPs increasingly taking a lead role. They can co-ordinate a strategic streamlined approach to voluntary and community sector engagement between the ranges of public sector bodies represented on the LSP. Community Empowerment networks also can be a key resource for effectively engaging the sector and empowering local communities to become involved in their neighbourhoods.
15. The LAA must include a statement of the involvement of the VCS and local people in the design and delivery of the agreement. This should state how local people and the VCS have been informed, consulted and given the opportunity

§§ <http://communities.homeoffice.gov.uk/activecomms/ac-publications/publications/183878/ho-firm-foundations0812.pdf?version=1>

*** <http://communities.homeoffice.gov.uk/activecomms/sup-vcs/changeup/>

to participate in the LAA process and the delivery of outcomes. It should also state how partners have considered the capacity of the VCS to contribute effectively, and how they can best facilitate the involvement of local people. The involvement of the VCS and local people should be reflected in all the four LAA blocks. The Safer and Stronger Communities block also includes a mandatory outcome and indicators on community empowerment, and areas will need to reflect and address this in their LAA.

16. The LAA should also include a commitment to ensure the active participation of children and young people in the design and delivery of services included in the agreement. Much of this can be done through the genuine participation of children and young people and other relevant partners at the same time as the authority consults on the development, review or delivery of the local Children and Young People's Plan.
17. LAAs will not achieve 'better outcomes for all' unless they reflect the priorities and imperatives of those groups who can often be unintentionally excluded from consultations. For example, in different areas, different minority groups will have different contributions to make. In some contexts, the perspective of different faith groups may be particularly relevant; in other cases, local women's groups may have issues e.g. around domestic violence, or local disability groups may have service access issues. Getting a wide range of views is important both in terms of the type of voluntary and community organised groups that are involved and in terms of the local people who are involved, who may not belong to formal groups. All the aspirations of different groups and individuals cannot be met under a single LAA, but everyone should have an opportunity to contribute to the debate.
18. Community participation in service delivery stretches well beyond consultation. It gives service providers better local knowledge about local needs, increases awareness of the joined-up nature of problems and the potential for joined up solutions. Resident and user groups and their involvement in the management of partnerships can add great value to local democracy and they can also be useful service delivery partners. It also helps to build community cohesion. Areas should therefore consider how this agenda applies across the whole LAA.

The role of the business sector

19. The business sector should already be represented on the LSP. It is important that the LSP works in alliance with employers or business representative groups, such as local Chambers of Commerce, in developing the LAA, particularly in relation to the fourth block on Economic Development. Regional Development Agencies (RDAs) have a statutory purpose to ensure a coordinated and strategic approach to the delivery of economic development. RDAs will already have partnership arrangements with many sub-regional and local partners to address regional economic development priorities set out in the Regional Economic Strategy (RES). It is important that the economic development fourth block is developed within the framework provided by the Regional Economic Strategy. Clear linkages and alignment should also be made between the fourth block and relevant economic and other sub-regional partnerships.

The role of the NHS

20. The local NHS will be actively involved in the agreement and delivery of LAAs. Primary Care Trusts are key local partners with a role to identify, design and implement appropriate services, particularly within the Healthier Communities and Older People block, and providing information on health. The PCT may contribute mainstream funding to the LAA, subject to this being signed off by the Strategic Health Authority (SHA). Local Delivery Plans (LDPs) should be aligned with the LAA. Some areas may wish to stretch performance beyond existing LDP trajectories in local priority areas as part of the reward element of the LAA. SHAs will ensure that LDP is aligned and that they are contributing to the performance management of local delivery, in partnership with the GOs. We envisage the SHA and GO acting collectively in the six month performance review process to avoid duplication.

Annex C

Performance Framework

Introduction

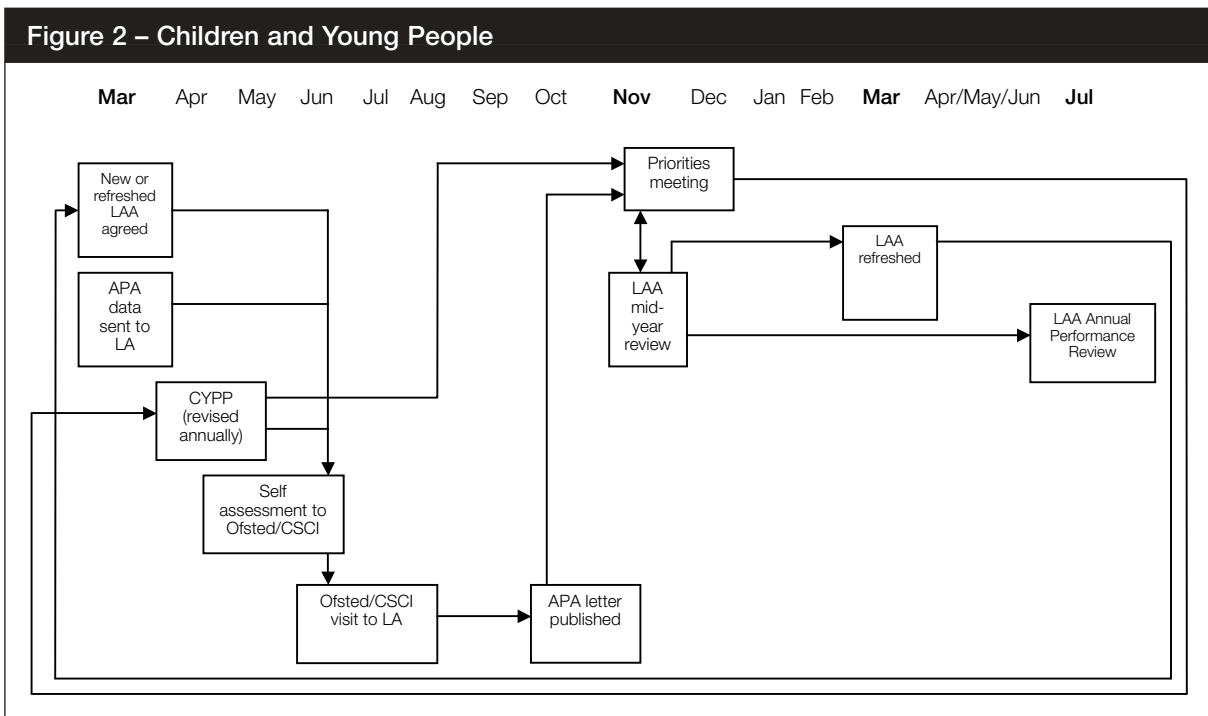
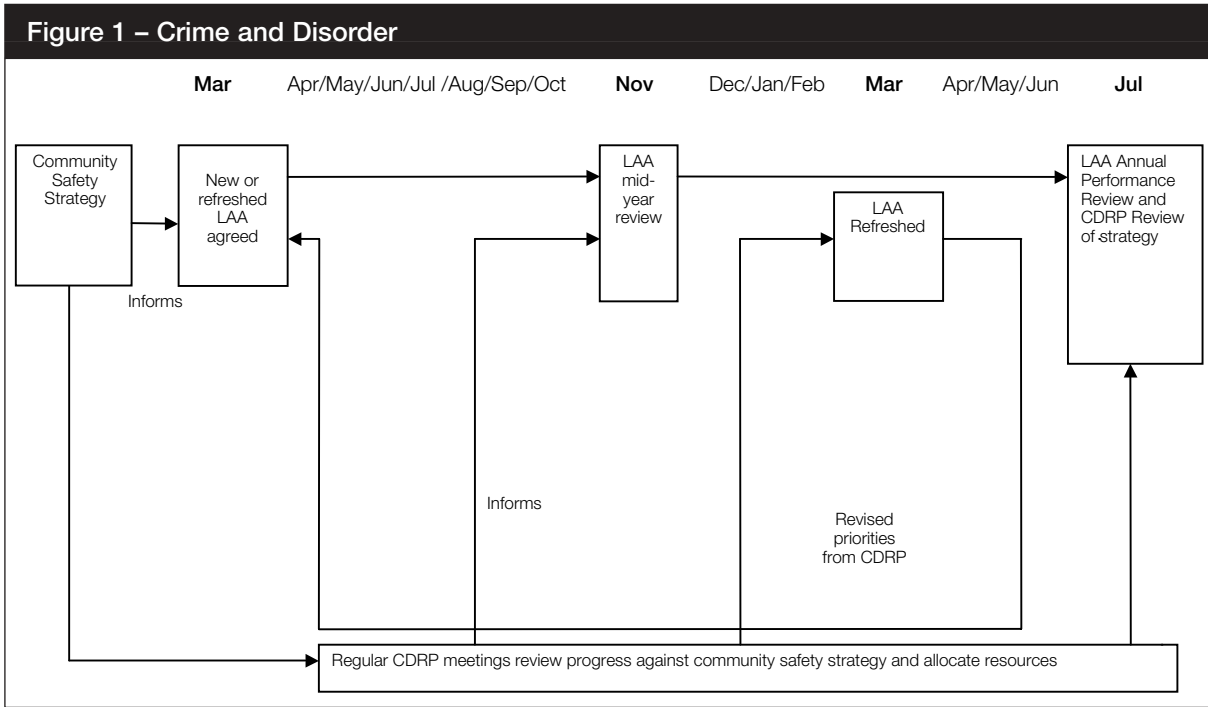
1. The outcomes and targets set out in the LAA will be the LAA's measure of success. One or more indicators should support each outcome and targets should be attached to all indicators. Where reward element targets are included in the agreement, annual figures for targets without stretch must be clearly stated in the main body of the LAA (but not in the reward element annex). There should be clear milestone targets for each year covered by the LAA. For the purposes of an LAA a target is defined as a 'clear, timebound milestone for achieving the outcome.'
2. Targets should be based on a clear baseline, be realistic, measurable, evidenced and timed, and be underpinned with dataflows necessary to assess performance at six monthly intervals (where possible). Targets should also be underpinned by trajectories so that progress can be judged at any specific time.
3. LAAs aim to streamline, simplify and integrate existing performance management arrangements into one area-based framework, and rationalise performance monitoring and reporting at all levels. They particularly aim to rationalise the performance reporting for all pooled funding streams. This will take some time to develop fully, but some significant progress has been made, for example:
 - bringing together LAA performance management and the Every Child Matters improvement cycle (see figure 2);
 - commitment to co-ordinate performance management of health and social care and LAA performance management (see figure 3);
 - bringing clarity to the relationship between LAAs and BVPIs (see figure 4);
 - integrating the NRF LSP performance management framework with that for the LAA and reducing NRF reporting requirements and integrating these with those for the LAA;
 - combining the Sustainable Community Strategy and LAA in one framework;
 - where Children's Fund is centrally pooled in the LAA, Children's Fund partnerships will no longer be required to complete quarterly claims and expenditure reconciliations or quarterly returns that track children receiving Children's Fund services;

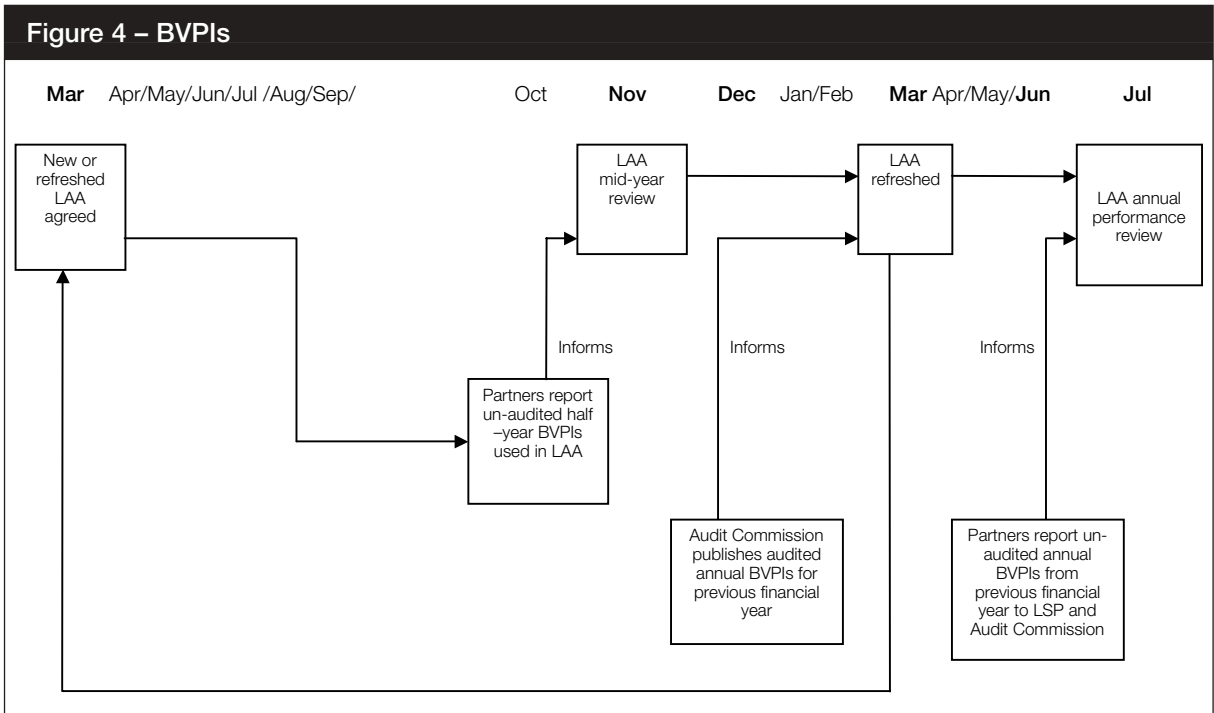
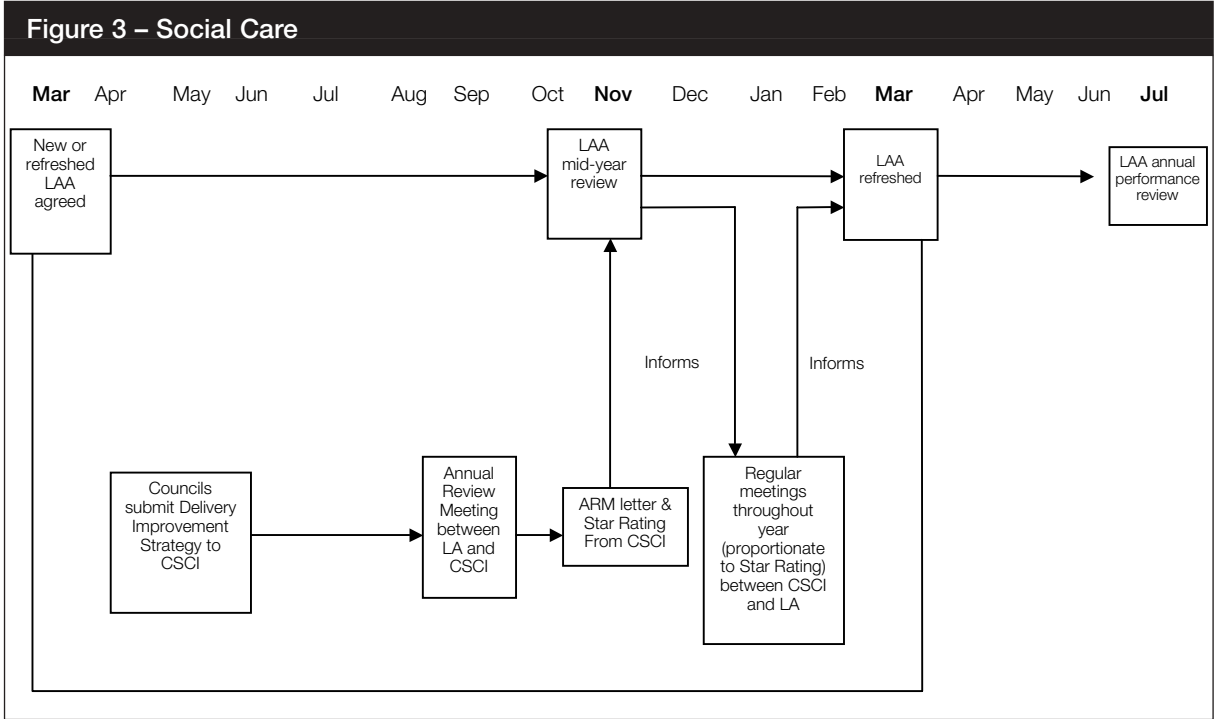
- when it has been agreed that the services and targets delivered by Connexions services will be delivered through the LAA and the relevant grant funding is pooled, the existing DfES “Healthcheck” monitoring and reporting arrangements will not be applied;
 - Inspectorates’ Review of Children’s’ Services Joint Area Review and Annual Performance Assessment indicators have been rationalised. This means that indicators used for Joint Area Reviews will fall from 243 in 2005 to 188 in 2006, and the Annual Performance Assessment subset will also fall from 124 to 116;
 - the requirement for Neighbourhood Management Pathfinders to complete delivery plans, annual performance management exercises and quarterly financial returns has been removed;
 - for funding streams centrally pooled in the LAA, current monitoring and reporting arrangements will be replaced by the need to monitor and report only those targets agreed as part of the LAA, and only to report spend through the 6-monthly process on a per-block basis, removing all other grant claim certification requirements.
4. We will continue to streamline and rationalise further wherever appropriate. GOs will also support the local area to ensure necessary performance information is shared in a co-ordinated way to avoid confusion and duplication in reporting mechanisms.

LAA Performance information – monitoring and reporting requirements

Alignment of different performance frameworks

5. With certain local public services it will be important to retain a capability to assess performance across the country on a consistent basis. Certain specific frameworks therefore continue, for example policing, National PSA targets, Best Value Performance Indicators, NHS LDP lines and social care Performance Assessment Framework. We will align these and other relevant reporting systems with LAAs so as to avoid any duplication and make the total package of reporting arrangements as efficient and effective as possible.
6. The following diagrams illustrate how some major existing performance management systems and priorities fit together with those for LAAs.





Police performance assessment

7. The Home Office will continue to assess police performance using the Policing Performance Assessment Framework (PPAF) and further details can be found at <http://police.homeoffice.gov.uk/performance-and-measurement/performance-assessment/>
8. While assessments are made at force level, some data used by PPAF is available to the Basic Command Unit. The 'local policing' domain in PPAF will assess performance with respect to priorities for improvement (with associated measures and targets) identified and agreed *locally* by the police authority/force. There is, therefore, additional scope for local community safety issues to be reflected in the national assessment of individual forces (see website above for details) in line with LAA principles.
9. Aligning LAA and police performance priorities and targets will help to avoid repetition or duplication of measurement and will support joint outcomes. In such cases we would expect the Government Office and local partnership to draw data for the six-month reviews from PPAF.

Crime and Drugs

10. The refinement and introduction of the Strategic Delivery Indicators (SDIs) will strengthen performance management arrangements and reduce burdens on local partnerships.
11. Proposals from the Crime and Disorder Act Review contained in the Police and Justice Bill will require Crime and Disorder Reduction Partnerships/Community Safety Partnerships to undertake regular strategic assessments, at least on a six-monthly basis. These strategic assessments will help inform local decisions on the allocation of resources to particular crime and disorder problems. Further details of this will be included in national standards for partnership working which will be developed in the coming months and delivered after the Bill receives Royal Assent. To avoid duplication the ambition is that, where possible, this will tie in with the six-monthly performance monitoring arrangements for Local Area Agreements.
12. The Home Office has been taking a fresh look at its delivery systems, including performance management arrangements and links with local agencies. The Department expects to have improved systems in place for 2007-2008.

Children and young people

13. The Department for Education and Skills has established the Knowledge for Improvement Project which is reviewing the data collections and indicators that underpin the Every Child Matters outcomes. They will be working with inspectorates and local authorities from April-September 2006 to consider what changes (if any) might be required to ensure that measures are outcome focused and where possible meet the needs of central and local government, within the

LAA framework. Data collections will be rationalised where possible to reduce the burden on local areas. Data to support national targets will continue to be collated through existing mechanisms e.g. Annual Schools Census. However, GOs now have access to a wide range of data on local areas to support their role in delivering priorities and targets. Where areas have already reported information centrally (not through the APA) they will not be expected to report this again, instead GOs will access this information from central information sources

14. Figure 2 demonstrates how the Children and Young People's Annual Performance Assessment system and LAA system should come together, in advance of any further changes being made as a consequence of the Knowledge for Improvement Project.

Health and Social Care

15. The Department of Health's White Paper proposals will lead to streamlined budgets and planning cycles between PCTs and local authorities based on a shared, outcome-based performance framework. There will be aligned performance assessment and inspection regimes. Local Area Agreements will be a key mechanism for joint planning and delivery.
16. The reporting and performance management of the PCT element of an LAA runs through the Local Delivery Plan and will be performance managed by the Strategic Health Authority (SHA) through to DH. GOs and SHAs should work closely on performance management of LAAs, to share information and resolve any concerns about LAA delivery. Performance information reported to SHAs which relates to LAA indicators should be shared with GOs to avoid duplication of reporting activity.
17. The Healthcare Commission (HC) is required, by legislation, to provide a performance rating for NHS Trusts. In March 2005, the HC published *Assessment for improvement: the annual health check*, which introduced a new system of performance assessment. Through the annual health check for 2005/06, the Healthcare Commission will measure the performance of NHS Trusts and NHS Foundation Trusts against the core standards, existing commitments and new national targets, as set out in National Standards, Local Action, as well as assessing Trusts on performance in specific areas of healthcare, through their improvement review programme, and their use of resources. They will publish the 2005/06 ratings in October 2006.
18. Performance assessment of local authorities' adult social care services is undertaken by the Commission for Social Care Inspection (CSCI). CSCI publishes annual performance judgements on adults' and children's social care services which take account of how well a council is serving people and its capacity for improvement. The judgements are expressed as star ratings and contribute directly to the Audit Commission's CPA judgements published in December. CSCI's Business Relationship Managers are key to this process and can be asked by GOs to comment and provide professional advice on social care priorities.

19. Subject to the wider regulatory review of health and social care arms-length bodies, we will merge CSCI and the Healthcare Commission by 2008. As these two organisations join, we will ask them to work together to ensure that their assessment and inspection arrangements complement each other. They will also continue to work with the Audit Commission to ensure that the relationship between social services and wider local government functions is properly recognised
20. Figure 3 sets out how the social care and LAA systems operate in tandem.

Neighbourhood Renewal

21. LAAs are expected to be a major tool in delivering neighbourhood renewal, in particular in overcoming disadvantage and improving the quality of life in areas facing the greatest challenge.
22. Areas in receipt of Neighbourhood Renewal Fund (NRF) will have this funding pooled as part of their LAA. They must demonstrate how the LAA will help narrow the gap between their most deprived neighbourhoods and the rest of the area and have a positive impact on BME and other priority groups. For example, we would expect the LAA to identify a list of neighbourhoods (e.g. Brightside) and a list of priority groups (e.g. black African-Caribbean boys) that it will focus on to reduce inequalities within the district.
23. For any area in receipt of NRF, there are six mandatory neighbourhood renewal outcomes which must be included in the agreement. These are set out in Annex A. Targets for these outcomes will be agreed during negotiations.
24. The NRF LSP performance management framework will be integrated with the LAA performance management and monitoring arrangements.

Local performance management arrangements

25. Local areas will need strong performance management arrangements to ensure effective and efficient delivery of the LAA. We have identified of the following characteristics as the basis for successful performance management of the LAA. These build on the elements previously defined by HM Treasury and the Cabinet Office, and the learning from the second round of LAAs.
26. Indicators and Targets:
 - key national, regional and local priorities are reflected in the outcomes and targets;
 - robust indicators are agreed for each outcome, underpinned with the data flows necessary to assess performance at suitably regular intervals;
 - targets are set on all indicators, which are realistic, measurable, evidenced and timed; and

- targets are underpinned by trajectories so that progress can be judged at any specific time.
27. Performance monitoring and reporting:
- reporting chains between partners on progress against targets and indicators are agreed;
 - partners are able to bring performance information together to monitor the outcomes and targets across the LAA, and are able to report this information to the GO;
 - performance data is transparent and accessible to local partners and GOs; and
 - partners are gathering and using data at the appropriate spatial level (in particular on NRF indicators, and other indicators of deprivation).
28. Performance management and improvement:
- there are regular robust and frequent processes in evidence for identifying locally when performance is succeeding, failing or travelling in the right direction;
 - local partners are clear who is responsible for which targets and are developing their own local 'ladder of intervention';
 - there is agreement between the local partners and GO on possible actions to correct continued under-performance and the circumstances under which they would occur;
 - there are clear mechanisms for identifying and addressing changes in performance against the trajectories.
29. Operational planning and delivery:
- strategies have been developed into operational plans within each organisation and the partnership as a whole, with timescales, milestones and responsible owners.
 - Government would not want to see these plans, unless there was an ongoing problem meeting a specific outcome, in which case it would be one of the first things the GO would ask to see; and
 - there are processes in place at both the constituent organisation and partnership levels for tracking progress against operational plans.
30. Before the LAA is signed, local areas are expected to demonstrate they have the characteristics in place, or have processes in place to develop them during the early phases of implementation. GOs will consider this as part of reaching agreement and progress will be reviewed at the first six monthly performance meeting. An assessment tool for use by GOs in assessing these issues is contained in the LAA toolkit.

Performance Monitoring

31. Areas should move towards a real-time transparent and robust monitoring system that would provide all partners with access to information. This would allow them to review and manage progress and performance across the LAA at any given time, provide information to local people about local improvements, and contribute to a national picture of performance. This is an evolving process but support and information will be provided to local areas over time. Improvements in customer information, including satisfaction with services and areas, will be a key part of the new local government performance framework.

Six-monthly performance review

32. Areas will be primarily responsible for performance managing their own LAAs. The level of on-going involvement of GOs will be proportionate to performance achieved, but there will be a six-monthly performance review meeting at which all areas should report on progress against outcomes and targets and spend against each of the four blocks to the GO. The meeting will primarily check progress against the following elements of the agreement:
- performance against outcomes and targets;
 - continued strength of partnership working, with the VCS and local people in particular;
 - development of further performance management and delivery mechanisms; and
 - spend to date against profile.
33. Discussion should focus on good performance, examples of innovative ideas which are delivering, and problems and their resolution. Support that could be offered by central Government and continuing identification of enabling measures which would help the local area achieve their priorities should also be discussed. Where progress is not being made the GO will provide challenge and support.

Addressing under-performance

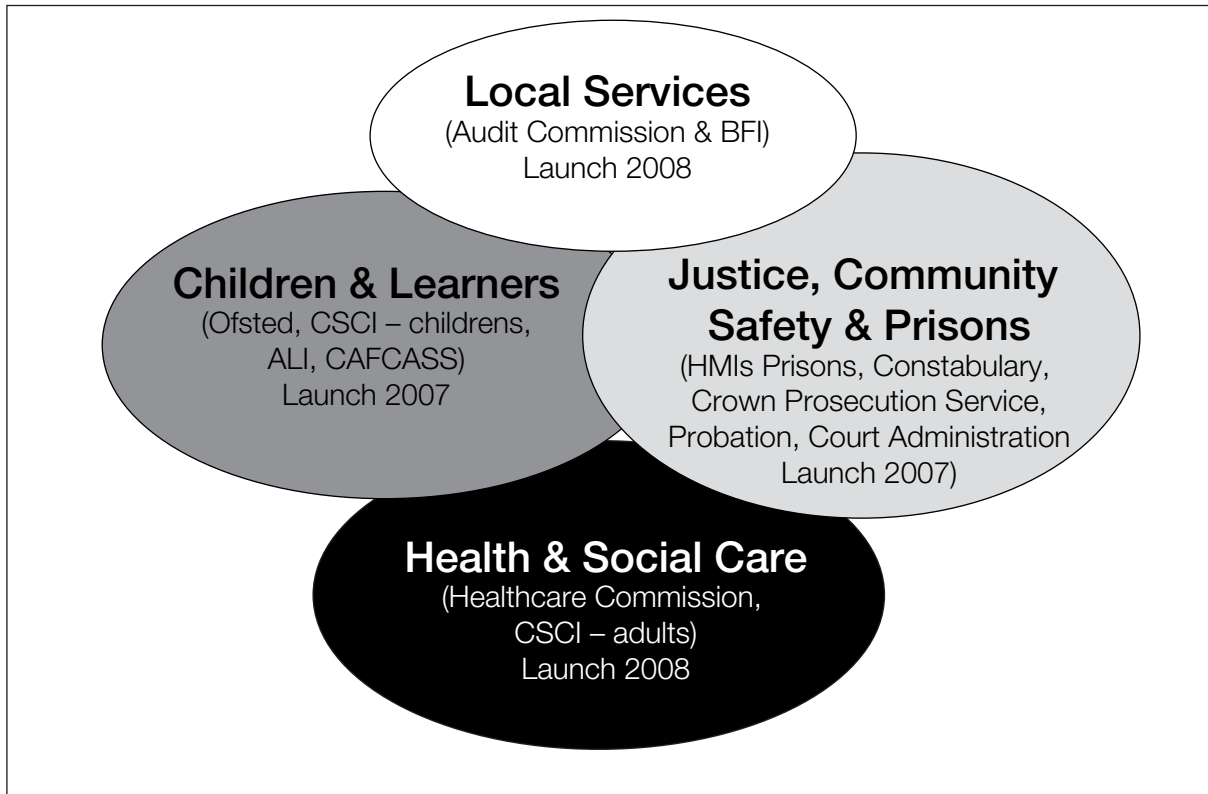
34. Areas need to identify their own weaknesses and support needs with their GO and agree with the GO how to address them. However, if sustained under-performance of a partnership is identified, the GO will act to ensure action is taken by local partners. This action will depend on the nature of the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

35. Where performance has returned to trajectory, or shows every indication of doing so, partners and the GO should agree the terms and process of disengagement to ensure continued improvement. The partnership will want to continue monitoring performance closely as support is disengaged. Local partners will need to respond rapidly, should performance once again dip.
36. In cases of chronic and/or sustained underperformance, i.e. over several consecutive quarters, the GO will work closely with the relevant central government stakeholders. 'Chronic or sustained underperformance' is defined here as when actual performance against LAA planned milestones presents significant risks to the timetable for achievement of agreed LAA targets. In consultation with the local partnership, the GO may require any or all of the following steps to be taken:
 - a revised diagnosis and/or improvement plan led by central government or external experts;
 - the re-imposition of ring-fencing of funding streams and potentially separate reporting arrangements;
 - the dissolution of the LAA as a whole;
 - cessation of funding stream payments.

The interface between LAAs and audit and inspection

37. The blocks of the LAA reflect shared priorities and are therefore embedded in the corporate assessment of CPA 2005-08, which looks at how councils work with their partners towards delivery of these shared priorities. The inspectorates regulating services in LAAs feed into the overall CPA framework for CPA 2005-2008, including the Audit Commission, BFI, OFSTED and CSCI although it is acknowledged that further work may identify greater synergies to be made. Three of the blocks are reflected in separate themes within the corporate assessment, with economic development reflected throughout them. The LAA will be a key piece of evidence of how the council and partners deliver these priorities in partnership. In addition, the LAA may be taken into account in shaping corporate assessment activity.
38. Additional inspection activity will not be carried out by the Audit Commission as a result of an area having an LAA in place. However, there may be some implications for the work that appointed auditors carry out in audited and inspected bodies under their responsibilities set out in the new code of audit practice approved in March 2005 (available on www.audit-commission.gov.uk). Auditors have responsibilities not only to audit the financial statements but also the audited body's arrangements for securing economy, efficiency and effectiveness in its use of resources. There are a number of aspects of the way an LAA is set up or operates that auditors may wish to consider when carrying out this work, based on their view of the associated risk.

39. In addition, the Government is planning to reduce the number of inspectorates from 11 to 4, to introduce a statutory obligation to cooperate and share information, and to develop a statutory gatekeeper for each sector to minimise the burden on local area partners. The diagram below summarises the latest position. These changes are due to begin in 2007/08.



Annex D

Funding Streams

Funding Streams

1. There are three types of funding that can be used to achieve the outcomes in an LAA:
 - (i) Area specific funding allocated and distributed direct to the area by a Government Department. A number of these grants will automatically be pooled and paid through LAAs. Some can be pooled subject to agreement being reached with the Government Office and relevant conditions being met. Other specific funding can be locally aligned. Which funding stream falls in which category is set out in the tables below. If a funding stream you wish to include in your LAA is not mentioned below you should discuss this with your Government Office.
 - (ii) Mainstream funding, such as RSG, Police, NHS and Schools funding, is paid to local and other bodies which can then choose to align this locally. Clearly it will not be possible to achieve many of the outcomes in the LAA without using mainstream funding. So bodies receiving mainstream funding are strongly encouraged to align it locally with LAA funding by local agreement, wherever possible. Mainstream funding that is aligned locally will be subject to its existing terms and conditions.
 - (iii) Non-Departmental Public Bodies such as Regional Development Agencies, Big Lottery, Sport England and Learning and Skills Council, can also choose to bring their funding together with the LAA funding locally. NDPB funding cannot be centrally pooled as it has already been allocated to the relevant body and is linked to the original targets and objectives for which it has been allocated.
2. All funding streams pooled in LAAs are subject to the LAA single terms and conditions and LAA performance and financial reporting and audit arrangements, with the exception of any additional conditions set out in this guidance. All other funding included in LAAs should be considered aligned and will remain subject to any existing arrangements.
3. This Annex lists which specific funding streams are pooled in LAAs and a number that are not. The presumption is that any area specific funding stream not on these lists is also available for pooling in LAAs where possible, but local areas must confirm this on a case by case basis with their GO.

Financial rules and controls for pooled funding

4. To receive payments for pooled funding, the upper-tier authority must abide by the conditions set out in the Government's grant determination (which sets out the conditions on which grant will be paid and used). They must also agree the terms on which payments are to be made to partners, together with the arrangements for this. As part of these arrangements the upper tier authority should consider the needs of their partners, particularly those who may rely on sufficient notice of funding, such as the VCS, and on advance and/or sustainable funding, where the accountable body would need to take account of any provisions in local compacts.
5. It is for the upper-tier authority to put in place conditions on which grant allocations will be paid by it to partners, which must mirror those in the grant determination.
6. The upper-tier authority must prepare a Statement of Grant Usage every six months. This will detail how much pooled funding has been used in pursuit of the achievement of outcomes in each block of the LAA. Where Children's Fund is pooled, the Statement must also identify spend on preventative services for 5-13 year olds. If, following the evaluation to be completed in early summer, the decision is made to pool General Sure Start Grant, the Statement must identify separately spend on a) Sure Start Local Programmes and b) children's centres. The Statement of Grant Usage provided at six months should cover the first six months of funding. The one at year end should cover the whole year's payments. Authorities will need to provide an accurate estimate of their year end outturn by 14 March 2007.
7. In order to provide assurance to departments that the funding has been used appropriately, the LA chief executive will report to the GO that he/she has received an audit opinion from the Chief Internal Auditor that he/she can provide reasonable assurances that the second Statement of Grant Usage, in all material respects, fairly presents the eligible expenditure in accordance with the definitions and conditions in the grant determination. Further external validation may be required if this does not provide sufficient assurance or if there are particular risks perceived in an area, but these will be undertaken on a proportionate, risk-based approach.
8. The upper-tier authority must ensure that the GO is promptly informed of any significant financial control issues raised by its internal auditors which affect the LAA.

Payment Systems

9. From 2007/08 we intend that the centrally pooled LAA funding will be made in a single payment to upper-tier local authority as the Accountable Body in monthly payments in arrears through the LOGAS net system. In 2007/08 NRF will be paid to the county in two-tier areas. If the use of LOGAS net is not possible, Departments will pay authorities directly on the same basis, under the same terms and conditions as those paid in a single payment wherever possible.

It will be made clear before the start of the financial year which funding streams will be paid through the single payment and which if any will remain outside of it and how they will be paid. The accountable body will wish to ensure that bodies such as the VCS are not disadvantaged by changes to the payment arrangements. There is no longer any requirement to submit claim forms to access funding through the LAA. We will keep areas informed of progress on the development of this system. Accountable Bodies are responsible for ensuring that they have appropriate mechanisms in place to distribute and account for funding passed to other partners. It is for Accountable Bodies to put in place appropriate governance arrangements if they are not already in place.

FUNDING STREAMS THAT WILL BE POOLED CENTRALLY IN ALL LAAS

10. All of the following funding streams will automatically be pooled centrally within LAAs.

Children and Young People	
<ul style="list-style-type: none"> Children's Services Grant Kerbcraft Key Stage 3 – Behaviour and Attendance Key Stage 3 – Central Coordination Neighbourhood Renewal Fund 	<ul style="list-style-type: none"> Neighbourhood Road Safety Initiative Neighbourhood Support Fund Positive Activities for Young People Primary Strategy Central Coordination School Travel Advisers School Development Grant (Local Authority retained element only)
Healthier Communities and Older People	
<ul style="list-style-type: none"> Neighbourhood Renewal Fund 	
Safer and Stronger Communities	
<p>Safer and Stronger Communities Fund – including:</p> <ul style="list-style-type: none"> Anti-Social Behaviour Grant Building Safer Communities Drugs Strategy Partnership Support Grant Tackling Violent Crime Programme Neighbourhood Management Pathfinder Neighbourhood Element Cleaner, Safer, Greener Element (liveability funding) 	<ul style="list-style-type: none"> ASB Action Area (an element is retained centrally) Aggregates Levy Sustainability Fund Anti-Social Behaviour Trailblazer (an element is retained centrally) Home Fire Risk Check Initiative Neighbourhood Renewal Fund Rural Social and Community Programme Waste Performance and Efficiency Grant
Economic Development	
<ul style="list-style-type: none"> Local Enterprise Growth Initiative (LEGI) New Growth Points Funding 	<ul style="list-style-type: none"> Neighbourhood Renewal Fund

LEGI

11. For those areas that receive Local Enterprise Growth Initiative Funding (LEGI) three basic mandatory outcomes must be included within the LAA:
- increase total entrepreneurial activity among the population in deprived local areas;

- b. support the sustainable growth – and reduce the failure rate – of locally-owned businesses in deprived areas; and
 - c. attract appropriate investment and franchising into deprived areas, making use of local labour resources.
12. Counties may contain districts that have successfully applied for LEGI funding. In this case, a county's LAA should include all three mandatory LEGI outcomes. Furthermore, the LAA should set out the (district level) geographical area(s), in which the outcomes are to be achieved.

New Growth Points Funding

13. Subject to a successful consultation with local areas that are in the process of bidding for New Growth Point status and funding, ODPM will automatically pool the first round of New Growth Points funding (for 2007/8) as part of the Economic Development block of LAAs.
14. A condition of including this funding in the LAA is that a growth plan, setting out the short, medium and long-term housing delivery proposals, should be agreed with government and then incorporated into the Sustainable Community Strategy that underpins the LAA. This growth plan will include milestones for the completion of masterplanning, the grant of outline planning permission and the receipt of statutory consents for major development sites. It should also set out the associated infrastructure requirements, the social, environmental and economic policies which will need to be pursued to ensure sustainable growth, and a completed green infrastructure strategy for the New Growth Point.
15. Additional indicators and associated targets would be agreed between local areas and the relevant Government Office after initial proposals have been received on 31 March 2006. Where New Growth Points funding is to be allocated to certain districts, the outcomes and indicators would apply specifically to those districts. Indicators included under the safer and stronger communities block that measure improved quality of life, public space and increased access to greenspace and the countryside will also be relevant.

Tackling Violent Crime Programme

16. CDRPs engaged in the Tackling Violent Crime Programme (TVCP) will be carrying out certain activities and returning data as necessary so that a robust evidence base for the efficacy or otherwise of various TVCP practices can be established prior to wider roll-out. This information is provided directly by the police, so should not add to the burden on LAA partnerships. We also want to work closely with one or two areas over this year to look at the performance management around this policy area to see how it can be better aligned with LAAs, with a view to reducing this where we can for 07-08.

ASB Action and ASB Trailblazer

- 17. Areas receiving this funding must import the targets agreed with the Respect Taskforce into their LAAs. The Respect Taskforce will retain an element of this funding to support specific in-year initiations that will help local areas deliver against their agreed LAA outcomes and targets.

Key Stage Three Behaviour and Attendance

- 18. Areas receiving this funding must continue to employ a KS3 consultant.

***Key Stage Three Central Coordination and Primary Strategy
Central Coordination***

- 19. Areas receiving these grants must continue to employ National Strategy consultants.

FUNDING STREAMS THAT CAN BE POOLED CENTRALLY IN ALL LAAS ON A CASE BY CASE BASIS

- 20. In addition, local areas can propose that any or all of the following funding streams be pooled in their LAA, in some cases subject to specific conditions outlined below.

Children and Young People	
<ul style="list-style-type: none"> • Connexions • Extended Schools (Standards Fund) • Teenage Pregnancy Grant 	<ul style="list-style-type: none"> • Children’s Fund • School Improvement Partners
Healthier Communities and Older People	
<ul style="list-style-type: none"> • Disabled Facilities Grant 	<ul style="list-style-type: none"> • Supporting People
Safer and Stronger Communities	
<ul style="list-style-type: none"> • Rural Bus Subsidy Grant 	
Economic Development	
<ul style="list-style-type: none"> • Housing Market Renewal Grant 	

- 21. Specific conditions apply for the following grants:

Sure Start

- 22. Sure Start is critical for delivering the Government's commitments on early years and childcare, as set out in 'Choice for Parents, the Best Start for Children: a Ten Year Strategy for Childcare'.
- 23. It has not yet been possible to evaluate fully and learn any lessons arising from the inclusion of Sure Start resources in the LAA pilots. Following a full evaluation, subject to being satisfied that Sure Start services are thriving where they are included in LAAs, the Government expects to be able to pool General

Sure Start Grant (including Sure Start local programmes) resource funding in the third round of LAAs. We expect to have completed this evaluation by early Summer 2006.

24. Where Sure Start resources are pooled, the following conditions will then need to apply:
25. The six monthly Statement of Grant Usage templates for those areas pooling General Sure Start Grant will need to identify spend on Sure Start Local Programmes and spend on children's centres.
26. If local authority spend on General Sure Start Grant, or performance, falls below an acceptable level, sanctions will be imposed as appropriate, including, if necessary, the re-introduction of the General Sure Start Grant ringfence.
27. The new performance framework for children's centres and early years services, which DfES will finalise in Autumn 2006, could result in changes or additions to the set of indicators relating to Sure Start, some of which may be mandatory. These will need to be incorporated by local authorities pooling Sure Start, as will any statutory targets set under the Childcare Bill, which will be subject to formal consultation after Royal Assent.
28. Where General Sure Start Grant is pooled, and subject to any changes arising from the processes set out above, we would expect the following mandatory indicators to be included in LAAs:
 - the stock of childcare places in disadvantaged and other areas (using the Ofsted registered childcare places database);
 - number of children's centres operational (progress will be monitored through the web based tracker);
 - the percentage of children working securely within the early learning goals at the end of the Foundation Stage, in disadvantaged and other areas, as measured by the Foundation Stage Profile;
 - number and proportion of mothers in Sure Start Local Programme areas who continue to smoke during pregnancy (this only needs reporting annually rather than six-monthly);
 - number of mothers in Sure Start Local Programme areas breastfeeding at 6 weeks (this only needs reporting annually rather than six monthly);
 - percentage of families in Sure Start Local Programme areas with new babies visited in first 2 months of their babies' life and given information about the services and support available to them (this only needs reporting annually rather than six monthly).
29. The General Sure Start Grant capital funding and separately ringfenced funding in General Sure Start Grant for pilot initiatives - Nursery Education Pilots for two year olds and the Transformation Fund - will not be considered for pooling in LAAs due to disruption to existing programmes and evaluation.

Connexions

30. Connexions can be pooled in the LAA payment subject to Connexions partnerships' joint agreement to include their funds and the involvement of Connexions Business Managers in the discussion process so that Connexions plans are properly reflected in LAAs (responsibility for meeting the existing statutory requirements for information, advice and guidance which currently apply to Connexions Partnerships will transfer to the local authority/LSP/children's trust). There is a mandatory target for 16-18 year olds not in education, employment or training. Individual discussions should also consider the contribution Connexions makes to additional targets or indicators around the under 18 conception rate, school attendance, attainment pre- and post-16, care leavers, young offenders and young people with a substance misuse problem.
31. GOs and Connexions Business Managers will want to be assured that local areas have in place a robust client management system that meets the Client Caseload Information System (CCIS) to ensure national consistency to collate and track progress on a monthly basis, that the Connexions brand (including Connexions Direct) continues to be used and that any changes to local delivery aim to promote greater market contestability.

Children's Fund

32. Children's Fund can be included in LAAs with the written sign up of the Children's Fund partnership. Any existing long-term contracts let by the Children's Fund partnership with providers in accordance with existing approved plans, should be honoured. The LAA proposal should also show how the focus on prevention will be maintained and developed through the LAA and how activities, especially youth crime prevention work currently supported through the Children's Fund, is reflected in outcomes across the LAA blocks (in particular the safer and stronger communities block). The six monthly monitoring must include the amount spent on preventative services (tiers two and three) for 5-13 year olds and the number of children and young people receiving regular support from this expenditure.

Standards Fund

33. The local authority retained element of the School Development Grant (comprising non-targeted grants to schools) will be available for inclusion where the funding continues to support schools. Where the Key Stage Three Behaviour and Attendance Funding element is pooled, a KS3 Behaviour and Attendance consultant must continue to be employed.

Supporting People

34. Supporting People may be pooled within the LAA payment but must have formal written agreement from the relevant Commissioning Body partnership which is the responsible body for the delivery of the programme at a local level. Levels of funding and locally agreed outcomes must also be agreed with the Commissioning Body. The partnership will need to demonstrate that there are clear lines of accountability between the LSP and the SP Commissioning Body.

35. As yet Supporting People does not have specific agreed outcomes but a housing related support outcome framework will be developed as part of the national Supporting People strategy, due to be published in summer 2006. Due to the cross cutting nature of the Supporting People programme the new framework will be built around existing outcomes targeted around supporting and maintaining independence which will streamline the approach and assist in reducing bureaucracy.
36. Although the Supporting People Programme funding is included within the Healthier Communities and Older People block of LAAs, we anticipate the outcomes will be cross cutting and impact on a wide range of SP clients not just Older People.
37. The formal requirement to produce the quarterly reporting on Supporting People will remain in place as this data is the only source of information on the services which are being purchased and delivered locally, including how many vulnerable people are being funded through the programme. The Audit Commission also require this information for use in measuring SP in relation to CPA performance. Future data requirements are being considered within the development of the Supporting People strategy.

Housing Market Renewal Grant

38. Market Renewal Pathfinders operate at a sub-regional level and allocate funding according to sub-regional priorities. We believe there are potential advantages from the integration of funding and programmes to achieve outcomes. We will establish a working group with Pathfinders, low demand areas outside the pathfinders, RDAs and other local partners to discuss and agree how to achieve this. Alignment of funding will be a primary aim in all areas. Decisions on how to achieve any pooling of funding will be made on a case by case basis in agreement with the Pathfinders. Changes to current arrangements will be implemented in a planned and timely manner. In all cases we would expect the Pathfinders to retain strategic control in terms of the delivery of their programmes and the underlying strategy.

FUNDS THAT CAN BE ALIGNED LOCALLY

39. In addition, local partners can choose to align the following funding streams that they receive. In some cases these cannot be pooled centrally because they are mainstream or other funding streams that are given to local authorities, Non-Departmental Public Bodies (NDPBs) or other bodies with few if any restrictions on how it is to be spent. This means that the decision to align this funding is for these bodies to make. That said, central government strongly encourages them to do so. In other cases it is because departments have specific reasons that they do not at present want these grants pooled within LAAs. These reasons are given below. For locally aligned funding, grants retain their existing terms and conditions and reporting arrangements.

Examples of funding streams that can be aligned	
<ul style="list-style-type: none"> • 14-19 funding and organisational pilots • Arts Council England Managed Funds • Basic Command Unit • Big Lottery Funding • Building Schools for the Future • Capital allocated through the Single Capital Pot • Carbon Trust • Change Up • Child and Adolescent Mental Health Services Funding • Community Champions Fund • Connectivity and Learning Systems • Defective Housing Grant • Direct Schools' Funding • Drug Interventions Programme (Drug testing and workforce elements) • DWP Benefits • Energy Saving Trust (resources) • English Heritage Historic Areas Grant • Environment Agency Funding • European Regional Development Fund • Growth Areas Funding • Highways maintenance and bus support (capital) • Housing Revenue Account Subsidy • Kickstart/bus challenge projects • LAA Pump Priming Grant • LAA Reward • LEA Music Services • Learning and Skills Council (alignment only at present) 	<ul style="list-style-type: none"> • Local Network Fund • Local Transport – Mainstream Support • Millennium Volunteers • Natural England Confederation funding (currently English Nature, Countryside Agency, Rural Development Service) • New Deal for Communities • NHS Funding • Partnerships for Older Peoples Project (POPP) • Planning Delivery Grant • Playing for Success • Police Funding • Pooled Treatment Budget • Purposeful Activities for Asylum Seekers Fund • RDA single pot • Refugee Community Development Fund • Refugee Challenge Fund • Renaissance in the Regions (Museums Funding) • Rural Pathfinders Funding Sources • School Meals • Sport England/Active England • Targeted Capital Fund • Thames Gateway Funding • Transformation Fund • Warm Front (Eaga Partnership) • Waste Resource and Action Programme • Young Peoples Substance Misuse Partnership Grant • YJB Prevention Funding • Youth Opportunity Fund

14-19 funding and organisational pilots

40. Over the next two years, starting in 2006-07, DfES is supporting 14 -19 Funding and Organisational pilots, some led by the Local Authority and others led by the LSC, to promote better integration of 14-19 services. The pilots will include extra flexibility to pool budgets or make other arrangements to give Local Authorities more say in the allocation of 16-19 funding, drawing on various potential models, including utilising LAAs to increase budget-pooling. This is not a funding stream.

Arts Council England Managed Funds

41. This is NDPB funding so cannot be pooled centrally.

Basic Command Unit

42. The BCU fund cannot be centrally pooled in LAAs because it is paid to the police. BCU commanders (in agreement with the chair of crime and drugs partnerships) may, however, pool BCU allocations locally in the LAA to achieve joint outcomes (this should continue to be with the support of the Chief Constable and Police Authority).

Big Lottery Funding

43. This is NDPB funding so cannot be pooled centrally.

Building Schools for the Future

44. This is part of a comprehensive strategic capital policy for schools which aims to renew all secondary schools in England.

Capital Allocated through the Single Capital Pot

45. This is a large unringfenced capital fund paid to local authorities, mostly for schools.

Carbon Trust

46. This is NDPB funding so cannot be pooled centrally.

Change Up

47. Change Up funding is short term investment with the specific intention of making a step change in VCS infrastructure.

Child and Adolescent Mental Health Services Funding

48. The CAMHS funding may be included in LAAs where it has been established that the funding will be used in a way that is consistent with the objectives of achieving comprehensive CAMHS access for every patient that needs them, as described in Standard 9 of the Children's National Service Framework within the context of Every Child Matters.

Community Champions Fund

49. This is considered a vulnerable grant and is largely used to support individuals.

Connectivity and Learning Systems

50. Schools' capital grant. The new school funding settlement for 2006-2008, announced in December 2005, is intended to provide stability in school funding through a Dedicated Schools Grant specifically ring-fenced for school budget purposes. Similarly, other grants that are devolved to schools (e.g. School Standards Grant) or are primarily intended to support schools (e.g. School Meals,

Connectivity and Learning Systems) provide guaranteed funding to schools. As such, school funding cannot be included in LAAs as that would risk the government's central aim of priority for school funding. Schools can of course choose to align their funding with the LAA if they wish.

Defective Housing Grant (DHG)

51. DHG payments are re-imburements to Local Authorities for grants paid out in the past and will end after March 2009.

Drug Intervention Programme

52. The Drug Interventions Programme (DIP) is a key element of the Government's strategy for tackling drugs. It aims to develop and integrate measures for directing adult drug-misusing offenders out of crime and into treatment. The intention is that the constituent interventions and processes become the established way of working with drug misusing offenders across England and Wales. The Programme involves criminal justice and treatment agencies working together with other services to provide a tailored solution for adults – particularly those who misuse Class A drugs – who commit crime to fund their drug misuse.
53. Funding to deliver the Programme is provided primarily through the DIP Main Grant which covers a number of different funding streams rolled into one grant payment: workforce, throughcare and aftercare, restriction on bail and capacity building.
54. In reducing the harm caused by illegal drugs, the Programme delivers benefits beyond crime reduction which are likely to aid the achievement of wider outcomes across an LAA. We therefore see potential benefit in bringing DIP together with LAAs.
55. Both DIP and LAAs are relatively new and we would therefore like to encourage areas to move first to aligning their DIP Main Grant funding with their LAA outcomes in 2007/08, with a view to potentially moving to pooling funding in future years. Areas may wish to realise this alignment through the inclusion of all their DIP key performance indicators in the LAA. Should an area choose to do this, additional data monitoring systems need not be established as data will continue to be gathered and disseminated through existing arrangements. Areas would be held to account through the LAA formal six-monthly performance review which would replace the existing DIP Compact six-monthly reviews.

Direct Schools' Funding

56. The new school funding settlement for 2006-2008, announced in December 2005, is intended to provide stability in school funding through a Dedicated Schools Grant specifically ring-fenced for school budget purposes. Similarly, other grants that are devolved to schools (e.g. School Standards Grant) or are primarily intended to support schools (e.g. School Meals) provide guaranteed funding to schools. As such, school funding cannot be included in LAAs as that would risk the government's central aim of priority for school funding. Schools can of course choose to align their funding with the LAA if they wish.

DWP Benefits

57. This is mainstream funding.

Energy Saving Trust

58. This is NDPB funding so cannot be pooled centrally.

English Heritage Historic Areas Grant

59. This is NDPB funding so cannot be pooled centrally.

Environment Agency Funding

60. This is NDPB funding so cannot be pooled centrally.

European Regional Development Fund

61. ODPM is responsible for the overall management of the Objective One and Two programmes within England, including the European Regional Development Fund (ERDF), which is used for a variety of measures for economic development and regeneration. ERDF requires match funding and funding from the LAAs pot can be used for this purpose. However, European Funding will remain as a separate funding stream and will not form part of the LAA pot, unless programmes are operating under formal Action Plans. This approach, permits programmes to align European processes with LAA arrangements, without explicitly integrating them, and therefore ensures compliance with EC Regulations. Such an approach would need to be notified to ODPM, as the Managing Authority

Growth Areas Funding

62. Growth Areas funding will not be included in LAAs at this stage because the second round of Growth Areas Funding has already been announced and preparatory work on projects by local areas is already well advanced.

Highways Maintenance and Bus Support

63. This is mainstream funding so cannot be pooled centrally.

Housing Revenue Account Subsidy

64. The Local Government and Housing Act, 1989 requires HRA Subsidy to be paid into the ringfenced HRA of a housing authority and cannot, therefore, be pooled in the LAA.

Kickstart/Bus Challenge Projects

65. These grants have been awarded to support specific projects.

LAA Pump Priming Grant (PPG)

66. LAA Pump Priming Grant (PPG) can only be spent to aid delivery of the reward element stretched targets. It is to be aligned locally to this end.

LAA Reward

67. As paragraph 8 of Annex F explains, there are no restrictions on the use of LAA Performance Reward Grant (PRG). To preserve this flexibility, PRG is not being pooled but can, of course, be wholly or partly aligned locally.

LEA Music Services

68. This is considered to be a vulnerable service and it has been ring fenced until 2008.

Learning and Skills Council

69. This is NDPB funding so cannot be pooled centrally.

Local Network Fund

70. This grant is already contracted to VCS until 2008.

Local Transport - Mainstream Support

71. This is mainstream funding.

Millennium Volunteers

72. This is excluded in line with Russell Commission recommendations which recommended that public funding for young people's volunteering should be ringfenced and routed through a new implementation body.

Natural England Confederation Funding (currently English Nature, Countryside Agency, Rural Development Service)

73. This is NDPB funding so cannot be pooled centrally.

New Deal for Communities

74. It may be possible to locally pool NDC funding subject to legal and Treasury approval.

NHS Funding

75. This is mainstream funding so cannot be pooled centrally.

Nursery Education Pilots

76. As this funding is specifically for pilots, the impact needs to be fully monitored and evaluated. It is therefore ring-fenced.

Partnerships for Older Peoples Project (POPP)

77. Local Authorities applying for funding from the Partnerships for Older Peoples Project (POPP) initiative during 2006 are encouraged to align their proposals for a POPP pilot with the planning of their LAA to ensure that outcomes and indicators are complimentary and add value to one another. POPP funding can

only be used for expenditure on the POPP pilot in accordance with the implementation plans, which will be agreed with the Department of Health. POPP pilots set stretching performance targets against the Long Term Conditions and Older Peoples PSA as well as locally relevant performance indicators. Negotiation of these targets will be carried out between the Department of Health POPP policy team and each individual pilot site and not through GOs.

Planning Delivery Grant

78. PDG is not ring-fenced, and local authorities are free to carry it over into future years. They are also free to use it as and when they like, and may include it in a Local Area Agreement. But, in order to provide an incentive to reach the PSA6 target, the majority of the grant will be paid where there is improvement towards that target, or maintenance of a high level of performance. Authorities that do not improve performance may reduce their chances of receiving further awards of PDG.

Playing for Success

79. Funding is specifically for study support centres in identified sports clubs.

Police Funding

80. This is mainstream funding so cannot be pooled centrally.

Pooled Treatment Budget

81. Alignment of the Pooled Treatment Budget for adult problem drug users (part of PCT funding) within LAAs is possible, provided this and the proposed outcomes are agreed with local Drug Action Team Partners and National Treatment Agency. Possible outcomes are the number of drug treatment completions and improved access to employment, training and housing for those in drugs treatment or leaving drugs treatment.

Purposeful Activities for Asylum Seekers Fund

82. These funding streams are allocated to Local Authorities on a selective basis to support innovative work and therefore are unsuitable for pooling in LAAs.

RDA Single Pot

83. This is NDPB funding so cannot be pooled centrally.

Refugee Community Development Fund

84. These funding streams are allocated to Local Authorities on a selective basis to support innovative work and therefore are unsuitable for pooling in LAAs.

Refugee Challenge Fund

85. These funding streams are allocated to Local Authorities on a selective basis to support innovative work and therefore are unsuitable for pooling in LAAs.

Renaissance in the Regions (Museums Funding)

86. This is NDPB funding so cannot be pooled centrally.

Rural Pathfinders Funding Sources

87. The range of funding streams within this category depends on what has been agreed by the Pathfinder in question. The vast majority will be NDPB funding.

School Meals

88. This is ring fenced until 2008 to deliver the pledge on school meal ingredients.

Specific capital funding streams not allocated through the Single Capital Pot e.g. Building Schools for the Future

89. Local Authority retained funding not allocated through the Single Capital Pot is allocated for specific purposes.

Sport England/Active England

90. This is NDPB funding so cannot be pooled centrally.

Targeted Capital Fund

91. Capital funds allocated to local authorities on a bid basis to support specific projects.

Thames Gateway Funding

92. As announced last year, a strategic framework for the future development of the Thames Gateway is currently being developed in conjunction with partners in the Gateway. We believe there are potential advantages from the integration of funding and programmes to achieve outcomes. We intend to consider this further as part of the development of the Thames Gateway Strategic Framework which will be launched in November 2006. It may, at that point be feasible to consider the potential to pool Thames Gateway Funding in LAAs on a case by case basis.

Transformation Fund

93. This fund aims to improve the quality of the childcare workforce and its leadership by among other things stimulating the supply of Early Years' Professionals. It is being excluded because it is a two year grant and its impact needs to be fully monitored and evaluated – it therefore needs to be ring-fenced.

Warm Front (Eaga Partnership)

94. This is NDPB funding so cannot be pooled centrally.

Waste Resource and Action Programme

95. This is NDPB funding so cannot be pooled centrally.

Young Peoples Substance Misuse Partnership Grant

96. The grant brings together young people and drug specific funding streams from the Department of Health, Home Office, DfES and the YJB. As a strong example of pooled funding the grant remains excluded from LAAs to ensure it continues to be invested in drugs interventions for children and young people, in line with the pooling agreement.

Youth Justice Board Prevention Funding

97. There are currently successful arrangements for Youth Crime Prevention in place. YJB funding is not pooled in LAAs to ensure prevention funding continues to be targeted on young people most at risk of offending, rather than other groups. The YJB is nevertheless committed to the principles of LAAs and is content for YOTs to align their prevention budgets with LAAs. It has amalgamated three previous separate funding streams into one Youth Offending Team grant and the guidance to YOTs made it explicit that they were to discuss and agree plans with local partners in children's services and Crime and Drugs partnerships. The YJB is currently piloting increased 'Enabling Measures' in the delivery of Youth Inclusion Programmes in four first phase LAAs and hope to have interim findings shortly. This position will continue in 2007/08 whilst the roll out of specific prevention programmes required in SR04 continues. The YJB will keep this position under review in order to consider whether further freedoms and flexibilities can be extended to more areas in the future.

Youth Opportunity Fund

98. This is a new grant that has been ring fenced for two years to embed a new approach of putting spending decisions into the hands of young people. When the two-year ring-fence period is over its status will be revisited, including whether it can be pooled in LAAs. The Youth Opportunity fund will work in tandem with the Youth Capital Fund (also ring fenced) to enable young people to develop projects with both capital and revenue elements.

Annex E

Enabling Measures for LAAs

1. Enabling Measures were formerly known as 'freedoms and flexibilities'. The associated principles and processes for considering them are basically unchanged. The term 'enabling measures' more accurately reflects their purpose – to enable the achievement of better outcomes.
2. There are a number of Enabling Measures inherent in LAAs. These are listed below. Where there are specific barriers to the delivery of outcomes, additional LAA Enabling Measures may be requested to help overcome these. Areas should discuss the need for these with the Government Office as part of the development of their LAA outcomes who will advise whether the requested action is already permissible or the objective can be achieved through other means.
3. Where the area wishes to pursue the request, the Government Office will help the area construct a business case to submit to the relevant Government Department. This is to ensure the Department can readily understand the request and its context and therefore process it promptly. The business case will need to set out the following information. Areas may wish to use the attached template at the end of this annex:
 - a. The LAA block and outcomes to which the request relates;
 - b. An exact description of the Enabling Measure request;
 - c. The constraint that the request seeks to overcome;
 - d. What difference, if the request was granted, would it make to the achievement of the outcome?
 - e. How will this reduce bureaucracy/increase efficiency?
 - f. What other options may be available to achieve this.
4. The Department will aim to respond to the business case within 14 days. Where a request is complex or particularly significant the request will be taken forward by the GO and area using the relevant Departmental arrangements for clearing these issues at senior level. Where it is not possible to agree a request the Government Department will provide an explanation and explore alternative solutions with the local area.
5. Requests are considered on a case-by-case basis, so a request may be agreed for one area but not for another. Local conditions and the role of the requested measure in helping meet specific LAA outcomes will be the key considerations.

6. A list of requests that Government Departments have agreed and been unable to agree to, along with explanations why the requests could not be agreed, can be found at <http://www.odpm.gov.uk/index.asp?id=1163512>. A number of more detailed explanatory statements on common issues raised by several areas can also be found there.

Core list of enabling measures areas will automatically benefit from as a result of having an LAA

- Ability to pool funds from government within blocks (or across blocks for single pot areas)
- Where areas deliver agreed outcomes more efficiently they can invest any savings in delivering the outcomes of the LAA.
- Reduction in the monitoring and reporting requirements for pooled funding streams, including removal of grant claims forms.
- Freedom to vire or combine some mainstream funding between organisations to meet shared LAA outcomes.
- Streamlined payment mechanisms, including removing the need to submit claims form.

ENABLING MEASURE REQUEST TEMPLATE

Title of Enabling Measure Request:

LAA area:

LA Contact officer details

Name:
Telephone:
Email:

GO Contact officer details

Name:
Telephone:
Email:

Government Department contact submitted to

Name:
Telephone:
Email:

LAA Block F&F request relates to: (please delete as appropriate)

CYP / SSC / HCOP / EDE or Applies to all

LAA outcome(s) request relates to:

Description in full of the Enabling Measure request:

What is the constraint to achieving this outcome that the Enabling Measure would overcome? How would it do this? What are the implications of not agreeing the request?

If the request cannot be agreed what other options may be available to resolve the issue?

Government Department response to the request:

Annex F

Reward Element

Introduction

1. This section is for areas negotiating an LAA who have not already negotiated a separate Second Generation Local Public Service Agreement (LPSA). **Areas are advised to begin consideration of the reward element of their LAA as soon as possible; experience from Round Two showed that this can be a complex and time-consuming part of the negotiations.**
2. Areas should propose a number of top priorities for improvement locally, where they intend to deliver 'stretched' performance over three years in return for Performance Reward Grant (PRG). Proposals will need to be evidence based, include robust baseline data, represent value for money and be endorsed by the LSP. There are no mandatory items for the reward element.
3. Under the previous LPSA regime, areas were generally required to negotiate 12 stretched targets. Areas now have the freedom to choose the number of stretched targets they wish to negotiate for their LAA reward element. *These must reflect value for money for the full Performance Reward Grant.*
4. All the indicators in the outcomes framework at Annex A can be negotiated as stretched targets attracting performance reward grant, *with the exception of* the indicator measuring the number of re-registrations on the child protection register.
5. The reward element targets will need to clearly set out the targets with and without reward element to identify the stretch in performance. Annual targets must be set out for the non-stretch levels in the mandatory reward element template at Annex I.

Pump Priming Grant (PPG)

6. PPG will be paid in one lump sum with the first monthly payment of pooled LAA funding. PPG must be used only to aid delivery of the reward element stretched targets. The conditions of its payment will be set out in the LAA Grant Determination.

Performance Reward Grant (PRG)

7. Performance Reward Grant is a significant sum for reinvestment in an area, calculated at 2.5% of the upper tier authority's net budget requirement. Where District Councils participate, 2.5% of their net budget requirement will also be included in the PRG calculation.
8. PRG is paid on the achievement of at least 60% of the stretch target. It is paid in two equal instalments – the first half in the year following the end of the delivery period and the second half the following year. Payments are half capital, half revenue, with no other restrictions on how the money is used.
9. Payments are by way of grant, and are paid as soon as possible after claims have been received and agreed as accurate.

Combining LPSAs and LAAs

10. All new LPSAs will be incorporated into LAAs as the reward element. An LPSA already separately under negotiation should, after its sign off, be included in the authority's LAA as the reward element at the next annual refresh. However, its stretched targets cannot be renegotiated.
11. Public expenditure provision is available for all upper tier authorities to negotiate a Second Generation LPSA (whether as a standalone LPSA or as the reward element of an LAA). The 2007 Comprehensive Spending Review will consider whether or not there will be a third generation of stretched targets. If CSR 2007 allocates public expenditure provision for a third generation, authorities whose Second Generation LPSAs ended in either March 2007 or March 2008 would be able to start a third generation reward element in April, 2008. No third generation of stretched targets could be negotiated earlier than April 2008.
12. Detailed notes on each possible indicator for reward setting out the key issues to consider for each indicator and key factors to establish value for money are contained in *The Reward Element of Local Area Agreements: Negotiation of Stretched Targets*, issued by the ODPM in April 2006.

Annex G

Equality and Diversity: Making Improvements Inclusive

1. Apart from general equality considerations, there are implications of LAAs in relation to two aspects of the Race Relations Act 1976 (as amended).
2. The majority of bodies involved in LAAs are public bodies, and as such, these parties to LAAs have obligations under this Act. Specifically, whilst undertaking their role as stakeholders in LAAs, they need to be mindful of what is known as the General Duty under the Act, which is: (a) to eliminate racial discrimination, (b) to promote equal opportunities and (c) to promote good relations between different racial groups. LAA partners may want to capitalise on the Agreement process to help achieve their General Duty obligations.
3. The Act also requires public bodies to monitor the impact of their activities in relation to racial equality where that is relevant. In the context of LAAs, partners will need to consider how the delivery of their LAA commitments is impacting on different minority groups and how they are measuring that, e.g. will work on health inequality targets also address differential health outcomes that are race related? Work on tackling hate crime may well be especially important, here.
4. Finally, local authorities should have regard to the tackling and reducing race inequalities agenda, e.g. in education, housing, health, employment and the Criminal Justice System- this is a cross cutting issue across all the LAA blocks.

Annex H

LAA Agreement Process

GOs may set additional or different timescales to the following, but will agree this with local areas in advance.

April to June

1. Local authorities, LSPs and GOs undertake preparatory work and engage with the relevant stakeholders in their area about priorities which will form the basis of the outcomes in the LAA. It will be important to engage local people at an early stage. Areas should draw on all relevant plans and strategies. The result should be a draft outcomes framework with the outcomes, including all relevant mandatory outcomes and mandatory indicators, around which the LAA will be developed, including the reward element.

June to September

2. Local areas will develop the first draft of the LAA. For the first draft, we would not expect all information to be provided but would expect areas to have identified mandatory elements; funding streams to support outcomes; all business cases for enabling measures; identification of partners; draft statement of how the community and VCS is being involved in the LAA; and details of how the partnership will work. First drafts will need to be with the GO by end September 2006.
3. GOs will provide an initial assessment of the area's readiness and capacity to meet the sign-off requirements. This is designed to focus areas' efforts on those aspects of readiness and capacity which need developing the most.

September to December

4. During September GOs will consult with central departments and continue to work with areas to refine the agreement to a near final draft including all of the information in the LAA template. CYP block proposals will be updated in the light of the outcome of Priorities Meetings and more detailed discussions on targets, notably following the release of school performance data to local authorities. Similarly other areas will feed off the various ongoing processes set out in Annex C.
5. During January GOs will again consult with Departments and continue to work with local areas before making a final recommendation to Ministers on the 10th of February. Part of this dialogue will be a review of the issues raised in the initial assessment of readiness and capacity to meet the sign-off requirements. GO's recommendations to Ministers will include a statement about further work needed by an LSP after sign-off to address any outstanding readiness and capacity issues.

6. Final agreements must be cleared by Ministers and signed on behalf of Government by the Minister for Communities and Local Government. We expect the Leader of the Local Authority and the Chair of the LSP or another LSP representative where appropriate, to sign for the local area. Areas decide if they want other partners to sign the final agreement
7. By definition, LAAs are agreements and all sides therefore need to be happy before they can be concluded. Where there are disagreements, we would expect these to be resolved locally through the local authority, LSP and other partners and the GO Regional Director.

Annex I

LAA Template

What a Local Area Agreement must cover

Outcomes, indicators and targets (mandatory and non mandatory)

This template is pre-set with all mandatory outcomes and indicators, including those which are only mandatory where an area receives a specific funding stream. Areas should add to this template those outcomes and indicators they wish to select from the full Outcomes Framework at Annex A, plus any other indicators which they wish to add which reflect their local priorities.

Block – Children and Young People						
Mandatory outcomes	Mandatory Indicators	Baselines 2006/07 (Unless otherwise stated)	Targets 2007/08 (including any stretch targets, and their annual unstretched targets)	Targets 2008/09 (including any stretch targets, and their annual unstretched targets)	Targets 2009/10 (including any stretch targets, and their annual unstretched targets)	Lead partner
Be Healthy	<p>Mandatory where School Travel Advisors Grant is received Modal share in travel to school</p> <p>Mandatory where Teenage Pregnancy Grant is received Reduction in the under 18 conception rate</p>					
Enjoy and Achieve Raise standards in English, maths, and science in secondary education so that, by 2008, in all schools located in the districts in receipt of NRF, at least 50% of pupils achieve level five or above in each of English, maths and science	<p>Mandatory for areas in receipt of Neighbourhood Renewal Funding By 2008 all schools located in Local Authority Districts in receipt of NRF to ensure that at least 50% of pupils achieve level five or above in each of English, maths and science.</p>					
Achieve economic well-being	<p>Mandatory where Connexions funding is received Percentage of 16-18 year olds not in education, employment or training</p>					

Block – Children and Young People						
Other outcomes	Other Indicators	Baselines 2006/07 (Unless otherwise stated)	Targets 2007/08 (including any stretch targets, and their annual unstretched targets)	Targets 2008/09 (including any stretch targets, and their annual unstretched targets)	Targets 2009/10 (including any stretch targets, and their annual unstretched targets)	Lead partner

Funding Stream information Children and Young People Block

Funding streams to be pooled centrally

Funding streams	Allocation		
	07/08	08/09	09/10

Enabling measures for Children and Young People Block

Agreed enabling measures
Enabling measures under discussion and the adjustment to targets to be made should they be agreed

Block – Safer and Stronger Communities						
Mandatory outcomes	Mandatory Indicators	Baselines 2006/07 (Unless otherwise stated)	Targets 2007/08 (including any stretch targets, and their annual unstretched targets)	Targets 2008/09 (including any stretch targets, and their annual unstretched targets)	Targets 2009/10 (including any stretch targets, and their annual unstretched targets)	Lead partner
Reduce Crime Reduce overall crime in line with local Crime and Disorder Reduction Partnership targets and narrow the gap between the worst performing wards/neighbourhoods and other areas across the district	Mandatory Indicators Reduction in overall British Crime Survey comparator recorded crime. Targets must be those as agreed between crime and drugs partnerships ^{†††} and GOs to support delivery of Home Office PSA1. A County level target will need to reflect the targets of the crime and drugs partnerships, and any aggregation will need to be agreed with the GO. Reduce the proportion of adult and young offenders, and prolific and other priority offenders who re-offend.					
Reassure the public, reducing the fear of crime	Mandatory for areas in receipt of NRF Reduction in overall British Crime Survey comparator recorded crime. Targets must be those as agreed between crime and drugs partnerships and GOs to support delivery of Home Office PSA1. A County level target will need to reflect the targets of the crime and drugs partnerships, and any aggregation will need to be agreed with the GO. Mandatory Indicator <i>Indicators to be agreed in negotiations</i>					

††† The term 'crime and drugs partnerships' refer to all local arrangements covering the roles of Crime and Disorder Partnerships (CDRPs) and Drug Action Teams (DATs). CDRPs and DATs should either be merged or have close working relationships.

Block – Safer and Stronger Communities						
Reduce the harm caused by illegal drugs	Mandatory Indicator Reduce public perception of local drug dealing and drug use as a problem					
	Mandatory Indicators (The following indicators should draw on data in the Local Government User Satisfaction Survey) Increase in percentage of people who feel informed about what is being done to tackle anti-social behaviour in their local area Increased percentage of people who feel that parents in their local area are made to take responsibility for the behaviour of their children Increased percentage of people who feel that people in their area treat them with respect and consideration Reduce people's perceptions of ASB (using the 7 issues stated in the Survey)					
Build Respect in communities and reduce anti-social behaviour	Mandatory Indicators Percentage of residents who feel they can influence decisions affecting their local area					
	Percentage of people who feel that their local area is a place where people from different backgrounds get on well together					
Empower local people to have a greater choice and influence over local decision making and a greater role in public service delivery						

Block – Safer and Stronger Communities					
<p>Improve the quality of the local environment by reducing the gap in aspects of liveability between the worst wards/neighbourhoods and the district as a whole, with a particular focus on reducing levels of litter and detritus</p>	<p>Mandatory where NRF is received Reduction by 2008 in levels of litter and detritus using BV199 at district level</p>				
<p>Improved quality of life for people in the most disadvantaged neighbourhoods; service providers more responsive to neighbourhood needs; and improved service delivery</p>	<p>Mandatory where SSCF neighbourhood element and neighbourhood management pathfinders funding is received Percentage of residents (in areas receiving this funding) reporting an increase in satisfaction with their neighbourhoods</p>				
<p>As part of an overall housing strategy for the district, improve housing conditions within the most deprived neighbourhoods/wards, with a particular focus on ensuring that all social housing is made decent by 2010</p>	<p>Mandatory Indicators where NRF is received The two year combined sample (2005/6 to 2006/7) from the continuous English Household Condition Survey (EHCS) reporting in 2007 confirms that the reduction in the number of non-decent social sector dwellings is more than 50% of the total reduction in the number of non-decent social sector dwellings since 2001</p>				
	<p>The two year combined sample (2007/8 to 2008/9) from the continuous EHCS reporting in 2009 confirms that the reduction in the number of non-decent social sector dwellings is more than 50% of the total reduction in the number of non-decent social sector dwellings since 2001.</p>				

Block – Safer and Stronger Communities				
Increase domestic fire safety and reduce arson	Mandatory Indicator where Home Fire Risk Check and Fire Prevention Grant is received. <i>Indicators at neighbourhood and priority group level to be agreed in negotiation</i>			

Block – Safer and Stronger Communities						
Other outcomes	Other Indicators	Baselines 2006/07 (Unless otherwise stated)	Targets 2007/08 (including any stretch targets, and their annual unstretched targets)	Targets 2008/09 (including any stretch targets, and their annual unstretched targets)	Targets 2009/10 (including any stretch targets, and their annual unstretched targets)	Lead partner

Funding Stream information Safer and Stronger Communities Block

Funding streams to be pooled centrally

Funding streams	Allocation		
	07/08	08/09	09/10

Enabling measures

Agreed enabling measures	
Enabling measures under discussion and the adjustment to targets to be made should they be agreed	

Block – Healthier Communities and Older People						
Mandatory outcomes	Mandatory Indicators	Baselines 2006/07 (Unless otherwise stated)	Targets 2007/08 (including any stretch targets, and their annual unstretched targets)	Targets 2008/09 (including any stretch targets, and their annual unstretched targets)	Targets 2009/10 (including any stretch targets, and their annual unstretched targets)	Lead partner
Improved Health and reduced health inequalities	<p>Mandatory Indicators</p> <p>Spearhead Areas: Reduce health inequalities between the local authority area and the England population by narrowing the gap in all-age, all-cause mortality</p> <p>All other areas (optional for Spearhead Areas) – reduce health inequalities within the local area, by narrowing the gap in all-age, all-cause mortality</p>					
Reduce premature mortality rates and reduce inequalities in premature mortality rates between wards/neighbourhoods with a particular focus on reducing the risk factors for heart disease, stroke and related diseases (CVD) (smoking, diet and physical activity)	<p>Mandatory for areas in receipt of NRF</p> <p>Reduce premature mortality rates from heart disease and stroke and related diseases so that the absolute gap between the national rate and the rate for the district is reduced by [x]% by 2010 [x to be agreed as part of the contribution to the reduction in the gap between the Spearhead Group and the England average (national PSA target)]</p>					
	Reduce the gap in premature mortality rates between the most deprived 20% of wards/neighbourhoods and the least deprived 20% of wards/neighbourhoods with a particular focus on reducing the gap in smoking prevalence in those areas					

Funding Stream information Healthier Communities and Older People

Funding streams to be pooled centrally

Funding streams	Allocation		
	07/08	08/09	09/10

Enabling measures for Healthier Communities and Older People Block

Agreed enabling measures
Enabling measures under discussion and the adjustment to targets to be made should they be agreed

Block – Economic Development						
Mandatory outcomes	Mandatory Indicators	Baselines 2006/07 (Unless otherwise stated)	Targets 2007/08 (including any stretch targets, and their annual unstretched targets)	Targets 2008/09 (including any stretch targets, and their annual unstretched targets)	Targets 2009/10 (including any stretch targets, and their annual unstretched targets)	Lead partner
Increase Employment For those living in the wards with the worst labour market position that are also located within the districts in receipt of NRF, significantly improve their overall employment rate and reduce the difference between their employment rate and the overall employment rate for England	Mandatory for areas in receipt of NRF An improvement by 2007/8 of at least one percentage point in the overall employment rate for those living in the Local Authority wards with the worst labour market position that are also located within the Local Authority District in receipt of NRF A reduction by 2007-8 of at least one percentage point of the difference between the overall employment rate for Great Britain and the employment rate of those living in the local authority wards with the worst labour market position that are also located within Local Authority Districts in receipt of NRF					
Increase Enterprise	Mandatory for areas in receipt of LEGI Increase in total entrepreneurial activity among the population in deprived areas – specific indicators to be agreed in negotiations					
Increased Investment	Mandatory for areas in receipt of LEGI Attract appropriate inward investment and franchising into deprived areas, making use of local labour resources – specific indicators to be agreed in negotiations Mandatory for areas in receipt of New Growth Points Funding Increase housing supply in a sustainable way					

Block – Economic Development					
Increased Competition	<p>Mandatory for areas in receipt of LEGI</p> <p>Support the sustainable growth, and reduce the unnecessary failure, of locally owned businesses in deprived areas. Indicators to be agreed in negotiations</p>				
Increase Innovation	<p>Mandatory for areas in receipt of LEGI</p> <p>Increase in total entrepreneurial activity among activity among the population in deprived areas – specific indicators to be agreed in negotiations</p>				
Increase housing supply in sustainable way	<p>Mandatory Indicator where New Growth Points Funding is received</p> <p>Increase housing supply in a sustainable way by at least 20% above the Sustainable Communities Plan baseline (i.e. pre-2003 levels), with overall housing growth of at least 500 homes per year in the local authority area</p>				

Block – Economic Development						
Other outcomes	Other Indicators	Baselines 2006/07 (Unless otherwise stated)	Targets 2007/08 (including any stretch targets, and their annual unstretched targets)	Targets 2008/09 (including any stretch targets, and their annual unstretched targets)	Targets 2009/10 (including any stretch targets, and their annual unstretched targets)	Lead partner

Funding Stream information Economic Development and Enterprise Block

Funding streams to be pooled centrally

Funding streams	Allocation		
	07/08	08/09	09/10

Enabling measures for Economic Development and Enterprise Block

Agreed enabling measures
Enabling measures under discussion and the adjustment to targets to be made should they be agreed

Other information to be covered

1. A clear statement of how local people and the VCS are involved in the design and delivery of the LAA.
2. The roles and responsibilities of, and within, the partnership, including clearly identified leads for each target.
3. An explanation of the performance, reporting, risk management and monitoring arrangements in place based closely on *Annex C* of this Guidance.
4. Acknowledgement of the ladders of invention (including provisions for possible exit), set out at Annex C to this guidance.
5. A self-contained Annex detailing in full the reward element stretched targets to be included in the LAA. The template for this is as follows, *and its use is mandatory*.

REWARD ELEMENT TEMPLATE

Reward Element – Target [insert target number]

This would be from authorities' internal numbering system, should you choose to adopt one

[Insert target heading]

In LAA terms, this equates to the overarching theme (e.g. reducing hospital admissions, improving road safety)

Indicator by which performance will be measured

[Insert indicator description, including data source]

Current performance ([insert period of measurement])

[Insert current performance figures]

This is the “baseline”, and should be based on the latest audited figures

Performance at the end of the period of the Local Area Agreement

([insert period of measurement])

Performance expected *without* the Reward Element

[Insert “without reward” figure]

This will be the figure for this indicator at the end of the LAA period, as previously declared in any national or local plan, e.g. a national PSA, or a local corporate plan, delivery plan or business plan

Performance target *with* the Reward Element

[Insert “with reward” figure]

This is the higher figure areas expect to have achieved for this indicator by the end of the LAA as a result of pump-priming, new ways of working, focussed resources etc.

Enhancement in performance with the Reward Element

[Insert stretch figure]

This is the difference between the “with reward” figure and the “without reward”, i.e. the extra performance you are undertaking to deliver, over and above what you would have done anyway

Allocation of Performance Reward Grant

[Insert indication of how much PRG is to be proportioned to this target and between indicators if appropriate]

Notes

[Insert any necessary notes or clarification relating to this target]