



Local Government Association



leading localities

local area agreements




foreword

In the year since the July 2004 LGA conference, we have seen the first steps towards more devolved local governance and public service delivery. Council led public service boards are joining up the whole of public services.

Local Area Agreements (LAAs) are at the forefront of these changes. Revitalised local partnerships are beginning to act as the engine room for making change happen.

Behind all this activity lies the growing recognition that this is a time when we need more autonomous local government. We need it now just as we needed it in the mid 19th century, when local councils and their leaders first emerged as a political force to pioneer real social, economic and environmental change in England's growing cities. As then, we in local government need to raise our game and renew our ambition. Not in order to dominate local agendas or to 'municipalise' peoples lives, but to focus unswervingly on what makes for the greater good of people that we represent and serve, and how best to achieve this on the ground.

A number of issues were prominent during the election campaign. Local issues were seen to be more important, but there was also a frustration and lack of trust. The challenge for central and for local government is to form a shared agenda. Many of these issues come from a sense that the quality of our everyday lives is not as good as it could or should be. We see around us too much 'crime and grime'. We have become concerned over lack of social responsibility in our society, or that some of the most basic principles of civil behaviour seem to have been forgotten. Those of us with the job of thinking



about the long term future of our communities look at the graphs and trends on public health, or environmental sustainability, with a growing sense of unease. Our well-being, in the true sense of the word, feels at risk.

A fatalistic view that these trends and forces in society are irreversible, and can't be helped, will lead us nowhere. Equally implausible is a faith that central government alone, exhorting or compelling its citizens to change their ways, can solve all our problems. We need the sort of co-ordinated action, based in local communities and inspired by effective local political leadership, that can refresh and renew our civil society, as has happened before in this country.

Recreating a 'golden era' for local government is not an exercise in nostalgia. It is about a major shift in responsibility and visible accountability from ministers to local council leaders. It is about hard-headed analysis of what is working, and what is not working, in contemporary society. It is about harnessing the very substantial resources available across the public, private, and voluntary sectors, towards achieving defined outcomes that make sense to our individual localities. It is about avoiding the dissipation of effort that can result from an excess of bureaucracy and process. And it needs the leadership that engages, motivates, and encourages all sections of the community to play their part, in the way that our forebears achieved when creating thriving cities out of smoke-filled and sewage-ridden slums.

This publication from the LGA, prepared for our 2005 Conference, looks at the progress made over the past year on the agenda of devolution,

strengthened local government, more robust local partnerships, and stronger leadership for localities. It forms part of the continuing debate on the ODPMs' 10 year vision for local government, to the success of which the LGA is firmly committed.



Sandy Bruce-Lockhart

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LAAs – the picture from the first 20 pilot areas


The Local Government Association sees LAAs as a big step towards more powerful, flexible, and responsive local government. New opportunities are opening up, for councils to work with their partners and communities, as part of a significant devolution of responsibilities from the centre to localities.

Coupled with stronger leadership at local level, LAAs are a means to help citizens to define and pursue their own ambition of what makes for good quality of life and well-being. As the 20 pilot LAAs are already showing, what works for people in Doncaster and Derby is not the same as for Dorset and Devon.

LAAs offer a mechanism to join up the delivery of local public services. They aim to tackle the problems caused by a myriad of separate pots of funding from various Whitehall departments being channelled to different public bodies, serving the same local populations.

Plans for LAAs were launched by ODPM in July 2004. They followed intensive work between government departments, regional government offices (GOs), local authorities and the LGA. Local government, through the Innovation Forum, had a significant influence on the thinking behind LAAs, and they are an initiative which is as much bottom up as top down.

A first round of pilots, originally planned as nine, became 21 in number as a result of the high level of interest from different localities. The first 20 LAAs were developed, negotiated, and signed off by the deputy prime minister in March 2005,



The second round, announced in June 2005 and planned at 40, has also been heavily over-subscribed. The LGA has lobbied for an increase from the planned 40, and is delighted that 66 have been announced. By this time next year, all areas in England should be involved.

The success of local area agreements will ultimately be judged by the impact and difference that they make on the ground, in improving the daily lives and future prospects of people in different parts of the country. In other words LAAs will only succeed if they drive outcomes such as improved schools, less crime, reduced health inequalities and a better local environment.

The enthusiasm with which the first wave of LAAs embraced their task reflects the ongoing commitment by councils and their partners, including the voluntary and community sector, to look for innovative and different ways of delivering public services and tackling local issues, with a stronger focus on multi-agency working and new forms of engaging the public.

LAAs are structured around three main themes, to which a fourth (on economic development and enterprise) has now been added. This pamphlet includes examples from the first 20 pilots of new ideas and innovative thinking, grouped under these themes.

delivering safer communities

The 20 pilot LAAs show how the 'safer communities' agenda has become embedded in local partnership working over the past decade. Local authorities are showing increasing willingness to redirect resources beyond

their traditional or statutory functions, in response to priorities identified by local people. In several LAAs councils are match funding safer neighbourhood teams or 'reassurance policing' schemes. Similarly the police are showing a greater willingness to shift their own funding streams and to work in new ways.


Hammersmith and Fulham has agreed to match fund (to the tune of £1m a year for two years) the Metropolitan Police's new resources to roll out the neighbourhood safer policing model across most of the borough. This initiative builds on existing pooled Home Office budgets and on a Home Office Local Delivery Project.

In Doncaster, 47 per cent of residents believe that anti-social behaviour is a serious nuisance affecting quality of life. Doncaster's LAA is focusing on volume crime in local hotspots, and expanding their Safer Neighbourhood Service, as well as bringing together specialist units such as the ASBO team and DAT.

delivering 'stronger' and more sustainable communities

The theme of devolved government and greater community engagement is also reflected in many of the pilot LAAs. New ideas on community, voluntary sector and neighbourhood engagement are underpinning service delivery and helping to identify the outcomes that meet local aspirations.

Telford and Wrekin's LAA includes proposals for 'locality programmes' and a 'locality management infrastructure' designed to enable small areas to



identify very localised priorities and for these to be reflected in more flexible funding and resource allocation from all the main local partners. This idea is similar to the notion of ‘neighbourhood charters’ as outlined in the recent ODPM paper on neighbourhoods¹.

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

delivering a better deal for children and young people

The five high level outcomes set by government in *Every Child Matters* provide a framework for this theme of LAAs. This is a good example of where national and local target setting is becoming more unified, across all the many agencies with responsibilities for children and young people.

Greenwich’s LAA demonstrates how pathfinder and pilot children’s trusts are progressing the integration of services with the elimination of child poverty, through a more holistic approach to employment, childcare, education, housing and homelessness. Greenwich has allocated neighbourhood renewal funding (NRF), in addition to GLA and DfES funding streams, to set up a childcare support fund.

Bradford has relatively high levels of young men under-achieving in GCSE/A level who form the primary group of drug misusers and offenders. A multi-agency, cross-sector Young Peoples Support Unit is seeking to enable young

¹ Citizen Engagement and Public Services *Why Neighbourhoods Matter* ODPM January 2005


men to become an 'asset to the area' through joined-up work on anti-social behaviour, drug use, skills levels, health and employability.

Barnsley's LAA sets out what they see as worrying trends in relation to children and young people including, for example, the significant numbers of under 16s attending A&E Departments for severe alcohol intoxication. Traditional health and social care responses to the needs of young people in the area have not addressed these trends and more 'transformational' programmes including establishing a network of 16 integrated children's centres in the 17 wards have now been designed. The Barnsley Children's Fund Partnership, led by Barnardos, is developing innovative services for 5-13 year-olds, 75 per cent of which are delivered by the voluntary sector.

delivering healthier communities and better adult services

LAA's have provided an important vehicle for achieving practical action on *Choosing Health*. Public health issues have been moving up the agenda of many local strategic partnerships (LSPs). This has begun to happen over the past year, as a result of increasing public interest and concern over issues such as smoking and obesity. LAA's now provide the context for all local partners (public sector, business and community) to develop a fuller understanding of public health trends in their particular locality, and to start trying to do something about those going in the wrong direction.

Kent's LAA demonstrates the track record of the county council and its districts and health partners, in joint working. Kent's Supporting



Independence Programme focuses on better outcomes related to housing and employment, as well as health and social care. The programme is based on commitment by all partners to integrated planning, and to delivering lasting and sustainable results. The programmes also include specific measures to reduce demand on the secondary healthcare sector, and attendance at A&E in particular.

Suffolk's LAA seeks to decelerate dependence and to maximise the independence of older people. Based on intelligence gathered in collaboration with the Suffolk PCTs (and data from the Suffolk Observatory), this element of the LAA will include development of a wide set of outcomes for health and adults, similar to that used for *Every Child Matters*.

LAA – more than joined up public service delivery


a new relationship between central and local government

In a recent speech Rt Hon David Miliband described the LAA framework as a 'negotiation of equals' with goals and priorities differently focused for different areas. They provide a way of working that has the potential to extend beyond the current definition of place – for example discussions in the capital are focusing on a collective set of outcomes for London, crossing council boundaries. And small scale LAAs between the council and neighbourhoods have been suggested as model for extending community engagement. The strength of this approach is the core principles of defining and negotiating desired outcomes within a pre-agreed framework.

strengthened local leadership

There is consensus that LAAs are helping to reinforce councils' community leadership role – consisting of political and collective leadership. Elected councillors have traditionally undertaken political leadership – controlling and administering significant resources in local areas. The qualities of leadership needed for a successful LAA go beyond this. They involve focus beyond the council town hall. Building consensus around a vision for an area, and brokering local partnership activity and collaboration between local agencies becomes an integral part of the role.

A growing number of council leaders and mayors already see this wider role as essential. They accept that the public will judge the local political administration on all aspects of life in the locality – not just the council



services. Although this helps to build public interest and engagement in local democratic institutions, it also raises issues of accountability. Local councils have no control over many of the local public services or budgets, so a key task will be making the collective leadership role clearer and more visible to local people.

This is a complex context and the case for stronger, devolved government needs to be effectively reinforced.

delivering well-being in localities

Where councils and partners are taking a more ambitious approach to LAAs, they go beyond co-ordinating local public services, to provide a longer term strategy to achieve greater well-being and quality of life for local people. However the challenge for local partnerships also increases.

Firstly it needs a form of dialogue and engagement with local people to understand what ‘well-being’ and ‘quality of life’ mean for a specific local population in a specific city, county or district. Many community strategies, and their associated consultation exercises, have begun to do this. But the goals and ‘better outcomes’ set out in community strategies are sometimes defined in very broad terms. LAAs should help to sharpen the analysis and enable areas to explore more deeply those aspects of life and aspiration that may vary significantly in different communities and localities. LAAs could thus begin to take the form of a more explicit ‘agreement’, built up from the views of the local community, which establishes a clearer consensus on


collective choices for the area.

Nationally, the government of the day will have standards and policies to promote and enforce. However locally there are many aspects of daily life – for example street scene, rural conservation versus development opportunity, handling the night-time economy in town centres, licensing, cultural activity, and public health issues – where different balances in investment, service provision, intervention, and regulation will achieve different outcomes. This involves choices and balancing competing interests and local pressures.

This is where the potential ‘governing’ role for LAAs comes to the fore – moving beyond joined up public service delivery. To fulfil it, the governance arrangements for developing, deciding, and delivering LAAs must be robust, enduring, and supported by local people.

Decisions and choices made in the broader public interest inherently require a high level of democratic accountability. This is why the LGA has argued the case for strong political leadership of local partnerships, and for strengthened versions of LSPs to become more closely aligned to local democratic structures.

At this level measures of success are more complex and less easy to define. Issues such as social trust, local identity, community cohesion, become as important as the more conventional performance indicators of service delivery. Ultimately, local areas may need to look to measures of the happiness, fulfilment, and long-term well-being of their communities, which



are starting to be developed for public policy purposes.

joining up centrally

LAA's follow a succession of initiatives to 'join up' government departments across Whitehall. For local government the development of LAA's has been an important signal from government of a new commitment to joining up, which is supported via the Central Local Partnership and by ministers.

However nationally and locally the smooth negotiation of pooled funding and streamlined targets will require time and cultural change in government offices, councils and partner organisations.

With a second round of LAA's now getting underway, all the signs are that this new way of doing business will increasingly become the norm across central government, and in localities. Government offices will be playing a key role as brokers, mediators, and regional interfaces. As LAA's develop, local government will continue to seek:

- a visible lessening in new and separate government initiatives, planning exercises, or funding streams, launched outside the LAA process;
- evidence that the pooling of funding streams and streamlining of financial monitoring and audit arrangements is leading to real release of capacity and Gershon efficiencies within councils, PCTs, police and other local agencies;

- an open and ‘joint endeavour’ approach to developing and refining the policy framework and ground-rules for the LAA programme, building on successes to date;
- evidence that the lessons and learning from LAAs are beginning to feed back into the spending review;
- progress towards the goal of unified, simplified, transparent, and real-time performance management regimes, with data collected once and shared across all levels of government; and
- continued rationalisation and merging of inspectorates, following on from the announcements in the 2005 budget statement.

joining up locally

Joining up is as important for LAAs as it is for Whitehall, and it raises the same issues around autonomy, pooling budgets and streamlining targets.

Local government has a strong track record in addressing ‘cross-cutting’ agendas and working across departmental silos. The local dimension, and the way that councils interface very directly with the public, has contributed to this. But LAAs now demand a new level of joining up at local level, across sectors and organisations with different histories, governance arrangements, and cultures. As LAAs develop, and the second round is rolled out, more visible evidence will be needed of successful joint working locally.



This would include:

- examples of different agencies reaching explicit decisions to pool or redirect resources (budgets and/or staff) after collectively deciding that this will lead to better delivery and improved outcomes;
- evidence of shared analysis of local needs and problems, with the development of a common understanding across local agencies as to how these should be met;
- integration of planning and resource allocation processes, including cycles and timetables;
- wider application of an integrated 'case-management' approach to a range of social and health issues affecting individuals and their families, supported by information-sharing systems and protocols needed for such approaches to succeed;
- joined up performance management arrangements, with evidence trusted and used by all involved;
- acceptance of common principles of joint accountability, transparency, corporate governance and mutual scrutiny across local partnership bodies; and
- evidence from resident attitude surveys, demonstrating that the public are

beginning to perceive local public sector bodies as acting in a more co-ordinated and integrated way.

a more effective dialogue between government and localities


LAA's have grown out of a series of efforts to achieve a better dialogue between central and local government, including the shared priorities between central and local government, Local Public Service Agreements, and before that efforts by government to 'join up' activity on inner city policy, urban renewal, and regeneration².

The first round of pilots has seen an open and constructive dialogue between Whitehall, Government Offices in the Regions, and councils and LSPs locally. The focus on achieving 'better outcomes' and streamlining processes is beginning to bring dividends, although the first round was limited by having only four months in which to negotiate agreements.

Parts of government have taken a more proactive and wide-ranging approach to their discussions with local areas:

DCMS, Sports England and the Big Lottery have been working proactively with ideas and initiatives coming forward from different localities. Regional staff from Big Lottery have been making contact with pilot LAA areas, and several proposals have emerged (Bradford and use of Big Lottery Young Peoples Fund, Coventry looking at strategic city-wide bid to Big Lottery for 2006-9, Dorset's plans with Big Lottery for community capacity-building),

² eg 1977 white paper *Policy for the Inner Cities* Single Regeneration Budget



through which Lottery funding is becoming more closely aligned to local community objectives.


governance arrangements

LAA place a new set of demands and responsibilities on local partnerships, as well as on councils in an area. The longer term governance and accountability arrangements for LAAs present a complex set of issues that will need to be discussed and resolved, as the initiative proceeds into further rounds, and extends to all areas in England by 2007.

LAA are prepared and overseen by the local council (or councils in two tier areas) and the LSP (or partnerships, given that there may be several in a county area). The precise roles of council and LSP are not prescribed in the ODPM guidance to allow for some flexibility to take account of the maturity and effectiveness of local LSPs and other local circumstances.

The upper tier council is the accountable body for most of the government funding streams involved. These are normally specific funding streams allocated by government on an area basis, as opposed to 'mainstream' funding. These are being rationalised and merged under the four LAA themes. This accounts for more than 100 funding streams covered by LAAs, amounting to more than £800m for the first 20 pilot areas.

'Accountable body' arrangements are not new for local government, and have been widely used for a variety of regeneration and other funding




systems (such as Neighbourhood Renewal Funding). The role that the local authority plays in 'accounting' for such funds can vary from relatively light touch supervision, ensuring that public funds do not go astray, to more active monitoring of the performance of arms-length bodies delivering a range of services (housing management ALMOs, Sure Start programmes, regeneration agencies).

Accountability for public funds is one of the important aspects of the governance of LAAs. Accountability for decision-making on priorities, choices for the locality, and the mix of local and national outcomes and targets to be pursued in a LAA are equally important.

As emphasised in the earlier part of this pamphlet, LAAs are ultimately a means for better governance in a locality. They are about providing the context in which people can achieve and fulfil their aspirations and enjoy an improved quality of life, balancing decisions and judgements impacting on different parts of a local community.

Where difficult choices must be made, the public has a right to know who is making them, how they are being made, and what they can do to influence the outcome. The more that LAAs shape local outcomes, the more these accountability issues will come to the fore.

The LGA believes that accountability arrangements for LAAs must be increasingly aligned with the democratic structures and governance arrangements for local areas.



There are different ways of ensuring this goal is achieved. The ODPM's ten year vision for local government, its review of LSPs and local partnership arrangements, the Home Office's review of crime and disorder partnerships, as well as children's trusts and new strategic responsibilities proposed for adult social services will all have an impact on this thinking. The Audit Commission has also drawn attention to the growing volume of public expenditure now channelled through partnership bodies – with the question of 'who's in charge' remaining at the heart of these governance and accountability issues.

strengthening local partnerships

There is broad consensus that some means of strengthening of local partnerships is needed, to oversee the type of framework now embodied in LAAs. LSPs are seen by government as the closest existing model to what is needed, and the LGA and Innovation Forum has supported the principle of building on what is already in place, at varying levels of maturity, across localities in England.

But there remain issues of whether LSPs in their current form are fully fit for purpose and sufficiently robust for the new roles and responsibilities being placed on them, in terms of their governance and accountability arrangements.

The Innovation Forum and LGA argued the case last year for the development of 'LSPs with teeth' and Local Public Service Boards (LPSBs), as



part of the wider agenda of devolution and strengthening localism. This was not a single or 'one-size fits all' model, but an approach designed to enable LSPs to move towards a more executive and delivery role, with clearer collective accountability between local partners with significant public service responsibilities.

Stronger political leadership linked back to the democratic institutions of the local authority for the area, is also seen by the LGA and Innovation Forum as a key feature of the LPSB approach – which distinguishes it from the original 2001 concept of LSPs as collaborative, multi-sector partnerships with more limited links to local government.

It is clear that LAAs are providing a catalyst for local partners in many areas to review and revisit their partnership arrangements. This is a complex and occasionally contentious process, particularly in two-tier areas where the sheer number and range of partners is challenging.

This will continue as LAAs are rolled out and as the ODPM embarks on a review of LSPs, taking account of the increasing role and prominence given to these bodies in a range of government initiatives.

Meanwhile the LGA is exploring whether a type of locally politically led multi-agency executive body, offers an evolutionary way to progress the partnership governance and accountability that a number of localities now need.

The LPSB approach has been adopted, or is being explored, in some 30 areas



including a number of LAA pilots.


lessons and challenges

LAAs have demonstrated new possibilities of central government working 'across the piece'. Where earlier developments within government have led to a clearer and agreed set of 'outcomes' (as in *Every Child Matters*), it has proved easier to import these into the LAA framework.

Continued buy-in and support across Whitehall would seem dependent on maintaining this balance, and ensuring that all government departments see the added value of achieving their own agenda in a wider context – with 'single conversations' becoming joint conversations.

The first round of LAA pilots achieved less than some in local government had hoped, in terms of streamlining of process and 'letting go' from Whitehall. The 'negotiated' aspects of the process, while critical to providing assurances that central government departments lay down, can make LAAs feel like a further round in central/local skirmishing rather than a joint endeavour to deliver the best possible outcomes to local people.

The integration of LPSA reward grant into the LAA process needs to take place in a way that reinforces successful outcomes on the ground, and lessens rather than reinforces these tensions. It would be a setback for LAAs if some of the delays and difficulties that have arisen in LPSA negotiations are now imported from one initiative to another.



For councils and their local partners, LAAs demand a new level and intensity of partnership working. For momentum on this to be maintained, all involved will need to see results from their extra efforts. This could take several forms, ranging from rationalisation of other existing partnership processes, streamlining of performance management arrangements, more flexible and effective application of reward funding and (most importantly) visibly better outcomes that local people recognise and value.

The challenge for the next phase will be to build on the innovation and creative thinking that has emerged in the pilots, in Whitehall, government offices, councils, partners, and local communities. In the process of embedding what has started as a radical new way of working, there is always the danger that the embedding will dilute the radicalism. The basic simplicity of the thinking behind LAAs, of collective focus on making a difference – from Whitehall through to Town Hall and beyond, must not be lost.

conclusions

A key element of LAAs is the recognition that there are no 'one size fits all' solutions to local governance and public service delivery. A greater sense of local place and people needs to play a part. It should be for local areas to reach their own conclusions on the level of ambition set for an individual LAA, taking account of the capacity of all partners and the aspirations of local people. Some areas will set themselves more modest outcomes in the early stages.

For central government, the framework of 'negotiation' within LAAs provides the assurance that national standards and floor targets will not be missed from local plans. Use of LPSA reward and pump-priming funding provides central and local government with new levers to target public expenditure at the margins. This can be done in increasingly sophisticated ways and with Government Offices in the Regions exercising a more discriminating role in such judgements than is possible from Whitehall.

LAAs may not provide all the solutions needed for a new permanent settlement between central and local government, or for a fully reinvigorated role for local government in England. But used imaginatively and ambitiously, and backed by local communities working to define their own priorities, in terms of quality of life and sustained well-being, they offer real opportunities. It remains up to local government and its partners to realise these ambitions.

further information

A copy of the guidance for the second phase of Local Area Agreements (LAAs) can be found at www.odpm.gov.uk

A copy of the evaluation report on the pilot phase of LAAs can be found at www.odpm.gov.uk/stellent/groups/odpm_control/documents/contentservertemplate/odpm_index.hcst?n=7148&l=4

The report evaluates the efficiency and effectiveness of the negotiation of round 1 LAAs and details the processes and activities, issues and constraints, successes and challenges for the negotiation of LAAs.

A copy of the toolkit produced by the LGA and IDeA, which details lessons learnt from the first phase of LAAs and highlights some of the issues that will arise as an LAA develops, can be found at www.idea-knowledge.gov.uk/idk/core/page.do?pageId=817524

Details of the Support Programme for localities in LAAs developed between IDeA, LGA and ODPM can be found on IDeA Knowledge website at www.idea-knowledge.gov.uk/idk/core/page.do?pageId=845597





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