



## a very english revolution

delivering bolder and better Local Area Agreements



## foreword

# “We have had a period of evolution, we are delivering devolution, now you need to get ready for the revolution”

Phil Woolas, Minister for Local Government and Community Cohesion,  
*December 2006*

Many councils and their partners voice concerns that the early vision for Local Area Agreements (LAAs), introduced in 2004 as a key element of a new relationship with localities and their citizens, has been lost. What was conceived as a framework for joint working, energising innovative working between partners and reinvigorated governance, has become bogged down in bureaucratic process and multiple targets.

We in local government want LAAs to recapture their original intent. Ministers are willing to listen. All of us have lessons to learn from the past three years. And the local government white paper and bill open up new opportunities.

This pamphlet offers two contributions to getting us back on the road to devolution and greater local autonomy. Firstly, it looks at what has been happening on LAAs. Despite the obvious difficulties of operating within what has proved a deeply unsatisfactory framework, much positive progress has been made. Second, it sets out our ambitions, and those of the Improvement and Development Agency (IDeA), for the second generation of LAAs. We will be working to turn these ambitions into reality, and ensuring that our partners in other sectors do likewise. This is a revolution that cannot afford to fail.



Lord Bruce Lockhart  
Chairman, Local Government Association

So are we witnessing a revolution? Does the new landscape of local governance and public service delivery, currently emerging through Local Area Agreements, strengthened local partnerships, and a new national performance management framework, represent revolutionary change?

If so, it is a very English revolution, in more senses than one. In the literal sense, these developments apply only to local authority areas in England, although Wales and Scotland have been exploring similar approaches to public service reform.

Other characteristically English qualities are that the revolution is happening through incremental steps, and passing largely unnoticed by the public and national media. We won't wake up to all the implications until after the event, but in the meantime our unwritten constitution is seeing some significant changes.

The Local Government Association (LGA) wants to see the revolution become bolder and faster, with a higher public profile. For this to happen, the next generation of Local Area Agreements must be more ambitious and driven from the bottom up and not the top down. Local partnerships must become stronger, more visible, and more focused.

A growing gap has emerged between the devolutionary rhetoric of ministers and the realities of LAA implementation on the ground. This pamphlet reviews the context, and the reasons why this has happened. Firstly, it re-states the LGA's ambitions for a second generation of LAAs, from April 2008 onwards, as a means to achieving better outcomes for local people and places.

## four ambitions for local area agreements in the future

### Ambition 1: delivering real devolution

LAAs will continue to have multiple policy aims, but their primary role post 2008 should be in securing a longer-term shift to more devolved government, similar to that achieved elsewhere in Europe over the past two decades. This means placing greater trust in councils working with their partners and local citizens to tackle local priorities.

The limits and constraints on such variation would remain negotiable, and national imperatives and priorities would continue to play their part. The LAA framework provides for this. But the balance of power between the centre and the locality should be fundamentally altered.

A process of negotiation, area by area and issue by issue, is as rational a way as any to determine the balance between central and local ambitions. So far, the potential for LAAs to foster devolved solutions that vary from national policies has been limited, not least by the institutional and financial barriers between health, welfare, local government and the criminal justice system. As some of these constraints

are removed, under more flexible arrangements for future LAAs, the scope for localities to depart from the national norm will increase.

But will local solutions be given the chance to flourish? Councils involved in LAAs believe that a deeper and faster change in Whitehall culture is needed, to make a success of new LAAs. The LGA shares this view. The mindset needs to be different. In recent discussions with councils, the Tavistock Institute has suggested a shift in thinking from a delivery chain model, radiating out from the centre, towards a 'river' analogy, in which the streams and tributaries of local endeavour merge into the wide national estuary of public service reform. The latter should be seen as the sum of the former, with scope for variable geography en route.

### Ambition 2: rebuilding trust in government

The stated aims of LAAs, as set out in 2004, were heavily focused on public service delivery. Less was said about their role in rebuilding trust and confidence between citizens and the state.

The white paper accepts that many of the challenges facing modern society must be addressed *with* citizens, and not for them. Responses to adverse public health trends, climate change, or fractured communities involve changes in peoples' values and behaviours. These are 'hearts and minds' issues rather than those soluble through more or better public services.

Hence the longstanding concern of the LGA to place re-invigorated political leadership and democratic engagement at the heart of devolved localism. This ambition will underpin the LGA/DeA approach to the next generation of LAAs, and to the strengthened role of local strategic partnerships.

### Ambition 3: robust and joined-up governance for localities

Local strategic partnerships (LSPs) are acknowledged to be a potential weak link in a new era of devolved governance. The credibility, public profile, capacity and performance of the 360 or so LSPs in England varies widely. Those in the 88 neighbourhood renewal areas are generally closer than elsewhere to meeting the new and demanding expectations now placed on these non-statutory partnership bodies.

The LGA, in its 2006 response to Department of Communities and Local Government (DCLG) consultation, rehearsed what needs to change to make LSPs fit for their roles.

Issues of LSP accountability, governance, and capacity have not gone away. The new duties in the current bill formalise expectations and responsibilities but will not, of themselves, change LSPs overnight. The White Paper Implementation

Plan recognises the capacity challenges, and joint DCLG/LGA/DeA work is in progress to develop a programme of support to LSPs during 07/08.

The LGA/DeA is determined to ensure that such capacity-building is properly resourced, and that a further round of LAA performance reward grant is available to incentivise and focus partnership working. We will also work with DCLG, the Audit Commission and the Local Government Ombudsman to resolve the significant gaps and ambiguities that still remain in terms of robust accountability and governance arrangements for LSPs and related bodies.

### Ambition 4: making the best use of local resources

A further LGA aim has been to encourage local partnerships to map, steer and influence the totality of locally relevant public expenditure, as directed through government departments, NDPBs and regional bodies as well as through councils and other local agencies. The current lack of such oversight, at a devolved level, hampers efficient use and timely redirection of resources.

The integration of funding streams within a unified LAA grant will move things forward. The current bill will help in defining a wider list of named bodies which must co-operate in LAA preparation and give regard to agreed targets.

LSPs still need to develop tools and capacity to oversee (and communicate to local people) the bigger picture on how public resources are being applied in their area. Better understanding should lead to greater trust and confidence, critical at a time of tightening public expenditure.

LAAAs will move up a gear if and when partner bodies have freedom to shift resources across governmental silos, intervening upstream and pooling resources, joining up their services and workforces rather than duplicating effort. Each round of LAAAs has seen progress in this direction, but still at a modest scale. More ambition and more freedom is now needed.

### Achieving the 'revolution'

These are the four ambitions that the LGA wishes to see in the new generation of LAAAs. They run alongside related propositions for sub-regional devolution of economic powers, and for locality-wide self assessment as part of the streamlined national performance framework, covered in other LGA publications listed on the LGA website.

The progress made on LAAAs to date represents welcome evolution. The test of real revolution remains. People need to see a difference. Only when the public notice a 'before' and an 'after', in their perceptions of their well-being and quality of life, and of how they are governed, would a true revolution have taken place.

If it proves possible through radical implementation of the white paper vision, to rebuild trust in collective choice and the role of government, strengthen cohesion, and civic life, and change public attitudes to the challenges facing society, the label of revolution would be justified.

This is why the LGA wants the government to be bold. Bold in letting go rather than imposing control. Bold in placing trust in the capacity of councils and local politicians to raise their game. Bold in accepting variation and difference between localities. Bold in recognising that 'improvement' and 'success' is a judgement made from the bottom up as well the top down.

Bold in encouraging an 'English revolution' with long-term consequences for the constitutional settlement between localities and the centre. Local government stands ready to play its part.

The remainder of this paper reflects on where LAAAs came from, the current state of play, and the white paper proposals for the future. Local government has a real opportunity to influence the new arrangements from 2008. The lessons of the last three years must shape a better way forward.

## Local Area Agreements – what happened to the original vision?

Different audiences have different perceptions of the policy aims behind the government's introduction of LAAAs, in 2004. The initiative had multiple objectives from the start. Research and evaluation by the Office of Public Management and others has confirmed a level of confusion over what LAAAs were designed to achieve. Many in local government now feel the original vision has been lost.

The white paper and local government bill repositions LAAAs as the key to 'place-shaping' and also at the heart of a new national performance management framework. For many, these objectives pull in different directions, bottom up and top-down. For the new version of LAAAs to succeed, there needs to be maximum clarity and consensus on what this part of 'the revolution' is designed to achieve.

From the government's perspective, the origins of LAAAs stemmed from the problems created by multiple area-based funding streams and performance regimes. LAAAs offered a means to tackle silo-based government, strengthen central/local relationships, and reduce the growing costs of detailed performance monitoring.

From the local perspective, LAAAs were more about devolution, greater local autonomy, and persuading Whitehall to let go.

Both central and local government had shared ambitions to join up, centrally and locally, and to focus on outcomes that make a real difference to quality of life and well-being.

For local government, the reality of LAA implementation has proved a mixed bag. Progress in bringing partners together to address local concerns has been good, but often held back by continued governmental focus on a mandatory set of national targets, not always well aligned to local priorities. As a cross-government attempt to re-engineer central/local relations, through experimentation on the ground, LAAAs have come a long way in a short time. As a form of radical devolution and joined-up governance for localities, original ambitions have proved unfulfilled.

### Working together to make Devon more productive

The Devon Economic Partnership was established in 2006, in recognition that private, public and voluntary sector partners need to work together to address the county's economic needs. The introduction of the Economic Development and Enterprise block to the LAA provided a timely opportunity to develop this partnership. The partnership is now in the process of preparing a clear, concise economic strategy for Devon that will form the economic content of the Devon Sustainable Community Strategy and the LAA 2008-2011.

The Productive Skills for Devon partnership has evolved into an operational sub-group of the Devon Economic Partnership. The focus of the partnership is to influence mainstream activity in order to address more effectively

those issues where integrated action would improve delivery. The alignment of priorities of a number of previously disparate activities has created a strong basis for future working.

For example, four worklessness pilot schemes are underway that are trialing different methodologies using multi-agency approaches. Baselines and targets have been established, and evaluation of progress has started. The Devon Strategic Housing Group has developed a work programme which will test out innovative approaches to addressing the housing needs of different communities. The Devon initiative has secured funding, recruited staff and has started a delivery service to alleviate financial insecurity.

<http://www.devonsp.org.uk/laa.html>

### Mainstreaming neighbourhood management in Knowsley

Knowsley has prioritised delivering on local and domestic environment issues as a critical factor in delivering long-term change. Through the LAA, a highly mainstreamed approach to neighbourhood working has been developed along with the strategy, governance and accountability mechanisms required to support this.

Six Area Partnership Boards or 'Mini LSPs' have been established and 'Local' Area Agreements are being developed. The partnership is developing integrated operations in all blocks of LAA activity, and has introduced area relationship directors and teams to facilitate this process locally.

Neighbourhood Pride Teams, bringing together teams of officers from the services involved in the Safer and Stronger Communities block have also been developed. There are six teams, one each for the Area Forum areas, working to an action planning model based on the Police National Intelligence model. The teams provide an effective and co-ordinated response to local issues and reinforce existing neighbourhood wardens and management initiatives. Developing effective relationships with local communities is intrinsic to the teams' approach.

<http://www.theknowsleypartnership.org.uk/laa.html>

### The future after 2008

Current proposals are for new-style LAAs to be implemented in all English local authority areas from April 2008. This rapid timetable aims to keep up momentum, and to ensure that the new measures in the white paper are available to all areas as soon as possible. The transition from old to new arrangements will have its challenges, but of an order seen as soluble given willingness and co-operation on all sides.

### The main changes, from April 2008

- new LAAs will be set in a statutory framework;
- LAAs will become the main delivery agreement between central government and the local area, with all other performance regimes falling away;
- all funding streams in an area will be available to support delivery against a new set of 200 national indicators, with much reduced ring-fencing;
- each locality will identify up to 35 improvement targets, from within the 200 national indicators set;
- once negotiated and signed off by the Secretary of State, all local agencies (and arms of central government) will be required to work towards local targets as well as the designated improvement targets.

These key differences between old and new LAAs re-opens the question: 'what are LAAs really for?' There is widespread feeling across local government that the

drivers behind LAAs must shift in emphasis, to warrant the commitment and effort put into the process.

There are four broad aims for LAAs, on which differing weight can be placed:

- their role in **place-making**, giving councils and LSPs more autonomy and influence to shape local plans and reconfigure services in response to the varying aspirations of communities in different localities. More emphasis on this aim would lead on to a long-term **devolutionary settlement** for England, and a framework through which a continually centralist Whitehall lets go and accepts local and sub-regional variance within a changed constitutional relationship;
- their role **at the heart of a new national performance management framework**, through which government and localities agree a set of improvement targets for each locality, drawn from a new and streamlined national indicator set and negotiated to balance local and national improvement priorities. This places more emphasis on the delivery chain model of LAAs, coupled with **deregulation, streamlining, and 'lifting the burden'** through rationalisation and integration of area-based funding and performance reporting;
- their role in strengthening the **community leadership role of councils**, widening local political influence and democratic accountability across the full range of public services via LSPs and their sub-partnerships, and exploiting the enhanced scrutiny powers in the local government bill. More emphasis is placed on the **governing** potential of LAAs, ensuring that the difficult challenges of the day (on

health, climate change, economic prosperity, sustainability, cohesion, disorder) are addressed and tough choices held to. LAAs can be used as a vehicle for **citizen empowerment and collective choice**, extending the principles of 'negotiated outcomes' to small area and neighbourhood levels:

- their role in **joining up and reconfiguring public services** at local level, enabling all LSP partners to achieve more intelligent interventions and better outcomes, along with added value and efficiencies. The emphasis is more on LAAs as a tool for **'transformational government' and efficiencies**, as sought by Gershon and Varney.

#### Developing shared strategies in Essex

Essex has a steadily improving set of partnership relationships. It has one county-wide LSP and 12 local LSPs. There is immense diversity amongst LSPs within Essex, not only in terms of what they can do, but also in terms of what they want to do. The county LSP sees its role as working with the 12 local LSPs on cross-county governance. The LAA presented a partnership opportunity by accelerating partnership arrangements and formalising partnership relationships.

Essex did not want the four LAA blocks to become another reporting arrangement to central government, so it related outcomes and targets in one block to those in other blocks. Moreover, connecting outcomes and targets to different blocks has further united the partnership. 75 per cent of all outcomes and targets are shared, and this has been liberating for the partnerships. For example,

If LAAs can contribute to all of these aims, why worry about prioritising between them?

Local government should worry. The experience of 2004-7 shows how LAAs can become dominated by some of these aims at the expense of others.

In simplistic terms, the main focus to date for central government has been on LAAs as 'delivery contracts', designed to improve performance on a set of national PSA targets. The intended mature dialogue between locality and central government has become one-sided and dominated by targets. As a council leader recently

within the economic development and enterprise block members of the business community have been keen to discuss education and schools. This has lightened the weight of the LAA on the partnership and has given it a sense of ambition and achievement.

As part of the LAA, indicators were mapped onto the district and ward levels. This highlighted the fact that there was an opportunity within the LAA for those people operating within the districts and wards. This also allowed good discussions to develop around how certain indicators would affect different geographical areas. Furthermore, the mapping exercise highlighted clusters of problems and showed the need to join up partner agencies.

<http://www.essexcc.gov.uk/vip8/ecc/ECCWebsite/dis/faq.jsp?channelOid=15858&guideOid=71902&oid=72104>

expressed it, "government office officials are all too ready to reach for their little book of stretch". LSPs have struggled to maintain their desired focus on locally important issues and on deepening the relationship with citizens.

While Lyons, the white paper, and the LGA have all emphasised the importance of 'place', most current LAAs read more as pro-forma action plans to address a set of centrally defined outcomes, applied universally to Dorset or Doncaster, Worcestershire or Wigan. LAAs give too little sense of local issues or local ambition. They mean next to nothing to the general public.

As part of its *People and places* campaign, the LGA has argued that:

- LAAs should be local, recognising different geographies and communities and allowing for democratically legitimated 'postcode variance', built from the bottom up;
- LAAs should be an agreement, freely entered into, and with central government as an active partner rather than overseer. Increasingly the end result of LAA negotiations should be an outward-looking settlement between councils and their citizens, reflecting the distinctive choices made and owned by local politicians and local people.

#### Driving down crime in Luton

Luton Safe is a multi-agency project which has been very successful in reducing crime in the town centre on weekend nights. The project involves town centre businesses, licensees, door staff, the Luton Drugs and Alcohol Partnership, Bedfordshire police, Luton and Bedfordshire fire service and the council.

Licensed premises are inspected jointly by the police, fire service and licencing enforcement officers, and the licensees have been linked with the police and CCTV operators by radio. Licensees have joined 'Banned from one banned from all scheme', a project to ban those involved in incidents of antisocial or violent behaviour from all licensed premises in Luton, and the radios and regular meetings of door supervisors have helped them to put it into practice.

This is complemented by advertising, marketing and public information campaigns to encourage responsible drinking, zero tolerance of drugs, and drink spike detectors. Plans are in place, subject to funding, to extend the project to help revellers leave the town centre quickly and safely at the end of their evening, by introducing taxi marshals and improving car park security.

[http://www.luton.gov.uk/internet/business/business\\_and\\_street\\_trading\\_licences/Luton%20safe](http://www.luton.gov.uk/internet/business/business_and_street_trading_licences/Luton%20safe)

### No Use Empty – a partnership approach in Kent

Kent County Council and its partners have endorsed an initiative to bring empty homes in Kent back into use.

The No Use Empty campaign brings together Dover, Shepway, Swale and Thanet district councils and Kent County Council to provide help for owners of empty properties who may not know that their properties could potentially be a source of income.

Under the initiative, 240 properties have been returned to use since 2005, this equates to two thirds of the 372 target set. However, the initiative is increasingly dealing with owners who have little intention of bringing their empty properties into use. District councils have therefore been encouraged to use their enforcement powers through the initiative. For example, an empty building in

the Clifton area of Margate had been left in a dangerous condition for a number of years. Following non-compliance by the owner to take action, Thanet District Council instigated an enforced sales procedure. The property will now be sold to a local housing association, increasing the availability of social housing for the residents of Margate thus contributing to the PSA and LAA target to improve Kent residents' access to homes of excellent quality, in the right place, at the right time and at the right cost.

Kent County Council submitted an enabling measure to CLG under the LPSA2 to gain approval for the county council to offer loans through the Empty Property Initiative interest free. The request is currently under consideration.

<http://www.no-use-empty.org/>

### Choosing health through partnership working in Camden

Camden Primary Care Trust (PCT) and the Camden Public Health Partnership lead the healthier communities block of the LAA and the PCT's Healthier Communities targets have been adopted as the key outcomes of the Healthier Communities block. Targets cover reducing health inequalities, reducing the numbers of people who smoke,

tackling obesity, improving sexual health, improving mental health and well-being and reducing harm and encouraging sensible drinking.

Sharing responsibility has helped to strengthen partnership working between the PCT and other organisations, particularly the council, and the PCT has pooled £400k of choosing health funds into the block to further strengthen partnership working and realise efficiencies.

## the story so far

The original LAA pilots have now experienced two years of implementation and we are coming to the end of the first year of round two. These 87 areas have recently undertaken six month reviews, through which government offices analyse and report on progress.

There is clear evidence that the basic mechanics of existing LAA arrangements are working. Councils and LSP partners are joining forces to agree and then deliver a better defined set of outcomes. Performance is being measured, and reported via the nine government offices in the regions. Government's assessment of achievement against targets varies between 'amber' and 'green', in different localities. There are no 'red' LAAs in the first two rounds. There are no signs that ongoing mainstream public service delivery has been put at risk by the time and effort redirected towards LAAs, or by the speed with which they were rolled out. So far so good in terms of national public service reform.

Case studies are included throughout this pamphlet which reflect the varied ways in which different areas are pursuing better outcomes for local people. Further examples are available from IDEa Knowledge at [www.idea.gov.uk](http://www.idea.gov.uk).

But this picture tells only one part of the LAA story. How far have LAAs achieved wider ambitions for 'place-making'? Are there any signs of increased public satisfaction and trust in how localities are governed? Are LAAs making it easier for areas to address their own particular challenges, whether these be community cohesion or youth unemployment, social care pressures or traffic gridlock? The answers from councils are generally 'not yet' or 'only at the margins'.

### A cross-cutting approach to high-quality housing in Walsall

Housing in Walsall is a key cross-cutting issue for the four pillars of the LAA. Providing the right type of housing to meet the aspirations of Black Country Vision and the needs of economic regeneration, contributes to the design of both new and existing safer estates, and ensures properties meet the Decent Homes standard, contributing to a healthy environment for young and older people. In turn, this will contribute to improving educational attainment for younger people, improving health and well-being for all and assisting independent living for people with particular needs and older people.

The city's housing strategy recognises the need to provide housing choice and ensure that all social rented homes and a proportion of private sector homes meet the Decent

Homes standard. This vision for choice encompasses all income ranges and residents with both general and particular needs. This includes working with developers, registered social landlords and neighbouring authorities to restructure Walsall's housing market, including affordable rented and home ownership options. The Housing Partnership provides a co-ordinated best practice approach to the new provision and continued management of social rented stock in the borough.

Walsall has also linked its housing plans into the economic regeneration of the area through the Walsall Regeneration Company framework, to take advantage of opportunities like the proposed residential, economic and retail Waterfront development in the town centre.

[http://www.walsall.gov.uk/index/community\\_and\\_living/wbsp/walsall\\_local\\_area\\_agreement\\_\\_laa\\_.htm](http://www.walsall.gov.uk/index/community_and_living/wbsp/walsall_local_area_agreement__laa_.htm)

### Family-focused interventions in Wakefield

The LAA in Wakefield created the flexibility and co-operation across agencies to develop the concept of Total Family Support (TFS). The aim of TFS is to maximise the life chances of children and adults in high-risk, high-harm families by identifying problems early through frontline services like Sure Start, better data sharing and taking concerted action by developing partnership-based solutions for those families. It will add value to current services by not only dealing with ongoing issues within families, but bringing agencies together to devise and deliver tailored packages to support prevention and early intervention.

TFS seeks to deliver a step change in both outcomes by using a family-centred approach and breaking cycles of abuse, deprivation or low aspirations. Interventions will encompass integrated delivery of care, economic well-

being, health, educational and community safety outcomes across identified family units, maximising the benefits of linked and mutually supporting interventions in meeting both the needs of family members, and strengthening the family as a unit overall. Interventions are tailored to the needs of each family and negotiated with them on a case by case basis.

TFS is part of the drive across the LAA to re-shape services around citizens, rather than providers, and adopt a more proactive and preventative approach to tackle the underlying problems of 'chaotic lifestyles'. This approach should deliver measurable improvements in quality of life for the families and their neighbours, and result in efficiency gains for local agencies.

<http://www.wakefieldlsp.org.uk/OtherKeyDocuments/default.htm>

### From strategy to delivery – shared responsibility for performance in Sheffield

The Sheffield First agreement set out ambitious plans for greater flexibility and joint working, reduced bureaucracy and enhanced the community leadership role for the local authority.

Partners on the LSP, Sheffield First, built on existing partnership structures to agree new principles for joint working:

- sharing responsibility between the LSP and local authority for delivering the LAA;
- ensuring collective confidence and sustained co-operation and trust between partners; and
- demonstrating that funding is being used effectively and efficiently throughout the LAA.

Underpinning the LSP, the Sheffield First Agreements Board acts as the guardian of the agreement. It takes a high-level view of public services within the city, identifies cross-cutting issues and drives the transformation of public services.

The Agreements Board is responsible for performance management, scrutiny of the agreement, financial management and the future development of the agreement. A series of delivery partnership boards report to the Agreement Board on each of the blocks. The delivery partnership boards are responsible for developing delivery plans, implementing performance management arrangements, ensuring links across service blocks and engaging with the voluntary and community sector (VCS).

<http://www.sheffield.gov.uk/your-city-council/policy—performance/sheffield-first-agreement>

### Working together on mental health in Lancashire

Although mental health is not an explicit priority in the Healthy Communities and Older People block, the development of the LAA in Lancashire was an opportunity to focus partners' attention on the issue locally.

Partners agreed that action to tackle the issues should pervade all blocks of the LAA. Mental health professionals were engaged in the development of a common approach and understanding of the problem. Following this engagement and work with the central Lancashire PCT on a North West Regional Toolkit on embedding

mental health outcomes, partners agreed to work with each other on addressing issues such as acute and crisis response, prevention and promotion of mental well-being.

This collaboration has greatly increased awareness of the issues amongst all partners. Mental health local implementation teams are being asked to consider their input into the LAA and the refresh of the mental health element of the agreement.

<http://www.lancashirepartnership.co.uk/index.asp>

### Pooling funds and effort through effective performance management in Hammersmith and Fulham

Hammersmith and Fulham has secured 50 funding streams in its LAA and has levered in a considerable amount of council money. The LAA secured £30m in pooled and £4m in aligned budgets for 2005/06. Historically there has always been a strong partnership relationship between the council and the police which prompted joint investment and encouraged other partners to also invest. For example the PCT is putting investment into developing its partnership work with the Healthier Communities block.

The council is developing a new suite of software to improve corporate performance management, which brings together all strands of data. The LAA jumped on the back of these developments, but also acted as a catalyst to build capacity in the organisation to improve performance management and develop a new system. The LAA is one of the key tools into which the performance management system will feed.

The LAA team is currently doing a lot of work on linking performance (outcomes) to finance (funding streams) by integrating finance and performance management. The idea is to be more accountable for expenditure, through governance arrangements and clearer lines of accountability.

The intention is for all performance management information to feed into the Local Public Service Board (LPSB), which will make decisions about where funding is allocated.

The LPSB brings together the key public service providers, and the new performance management system will help to develop closer working with local partners.

Positive steps have been taken towards engaging the VCS in the LAA. There was a lot of engagement and outreach work with the VCS at the start of the LAA process to help engage and sell the idea of the LAA. This included a mapping exercise which identified £2.2million of LAA monies commissioning services from the VCS through the Children's Trust and other social services as well as £3.7million from Supporting People.

Through the LAA the council has been able to invest in child poverty initiatives, including Pump Priming Grant, Performance Reward Grant and a significant amount of the council's Invest to Save Fund. Child Poverty cuts across all of the LAA blocks, as it includes issues such as educational attainment and youth offending.

[http://www.lbhf.gov.uk/Directory/Council\\_and\\_Democracy/Statistics\\_and\\_Census\\_Information/Borough\\_profiles/40238\\_BP\\_Local\\_Area\\_Agreements.asp](http://www.lbhf.gov.uk/Directory/Council_and_Democracy/Statistics_and_Census_Information/Borough_profiles/40238_BP_Local_Area_Agreements.asp)

### Involving all parts of the VCS in Stoke

Stoke has made a strong commitment to VCS involvement in the LAA. Existing networks covering geographic and communities of interest have been involved in the LAA process and over 100 bodies are being consulted.

A VCS representative sits on the LAA steering group and the partnership is looking to develop a new strategic agreement to co-ordinate the efforts of the VCS to achieve better outcomes across the agreement. There is a

dedicated subset looking at Black and Minority Ethnic (BME) communities, with a commitment in the LAA to developing more inclusive and customised ways of working, and to provide a springboard for BME communities to reach their greatest potential to contribute more fully to the city's future productivity and growth.

<http://www.stoke.gov.uk/ccm/navigation/community—people-and-living/community—working-with-you/local-area-agreements/>

### Aligning national targets across local partners in Devon

Devon County Council used the development of its LAA to refine the priorities of the local partnership. A revised governance structure aligned the implementation of the community strategy with the LAA, including bringing together children and young people and joint area review outcomes and bringing DEFRA Rural Social and Community programme under the Safer and Stronger Communities block.

Clearer targets and delivery structure have enabled the partnership to exceed its targets through joint working. For example, the citizen satisfaction rate with local urban environments increased by 6.8 per cent over the target and the target for increasing walking by 2008 was

exceeded by March 2006.

This has created the space for partners to take action in further, cross-cutting areas including a fuel poverty project and a strong push on increasing the number of people benefiting from Care Direct.

<http://www.devonsp.org.uk/laa.html>

### Spending NRF smartly in Wolverhampton

To generate a clearer focus on outcomes through its negotiations, the Wolverhampton partnership agreed their core priorities for action before identifying funding streams and agreeing how they could best be used to meet those priorities.

One of their key priorities is taking the commitment to neighbourhood renewal to another level through strong partnerships and pooled funding.

The Single Community Fund, Sure Start local programmes, smoking cessation funds, community food advisors funds and street crime wardens funds have all been pooled. The funding streams debate strengthened partnership working at both board and officer level. The partnership's membership has expanded and its effectiveness increased. For example, communications between the different theme partnerships has improved

as has the sharing of information and cross-working between the different groups. Learning is being increasingly shared and brought into other areas.

One of the greatest benefits of this way of working has been a smart and more coherent system for distribution the Neighbourhood Renewal Fund (NRF). The LSP distributes NRF to thematic partnerships in accordance with the priorities set out in the LAA and Community Plan.

The thematic partnerships devise their plans and commission service providers, including PCTs, the VCS and the business sector to deliver services locally. This structured way of devolving decisions in line with agreed high-level outcomes has embedded accountability at all levels of the partnership.

<http://www.wton-partnership.org.uk/inovem/inovem.ti/text?page=localareaagreement>

## how things will change after 2008

On paper, the white paper proposals for future LAAs meet many of the aspirations of the LGA and local government. Financial arrangements for LAAs change significantly, as compartmentalisation between LAA 'blocks' is largely removed. The government's presumption against future ringfencing of area-based funding is welcome.

The government is considering the case for continued Performance Reward Grant (as part of CSR07), with a more flexible framework that would spread this form of incentive across the full span of the LAA. The LGA/IDeA view this as essential to the success of stronger partnership working.

The development of a single coherent national indicator set, with data collected once and shared across all government and local partners, will be critical to reducing the bureaucratic load. Likewise, a substantial change in the way targets are set is promised, with a maximum of 35 improvement targets designated within each LAA.

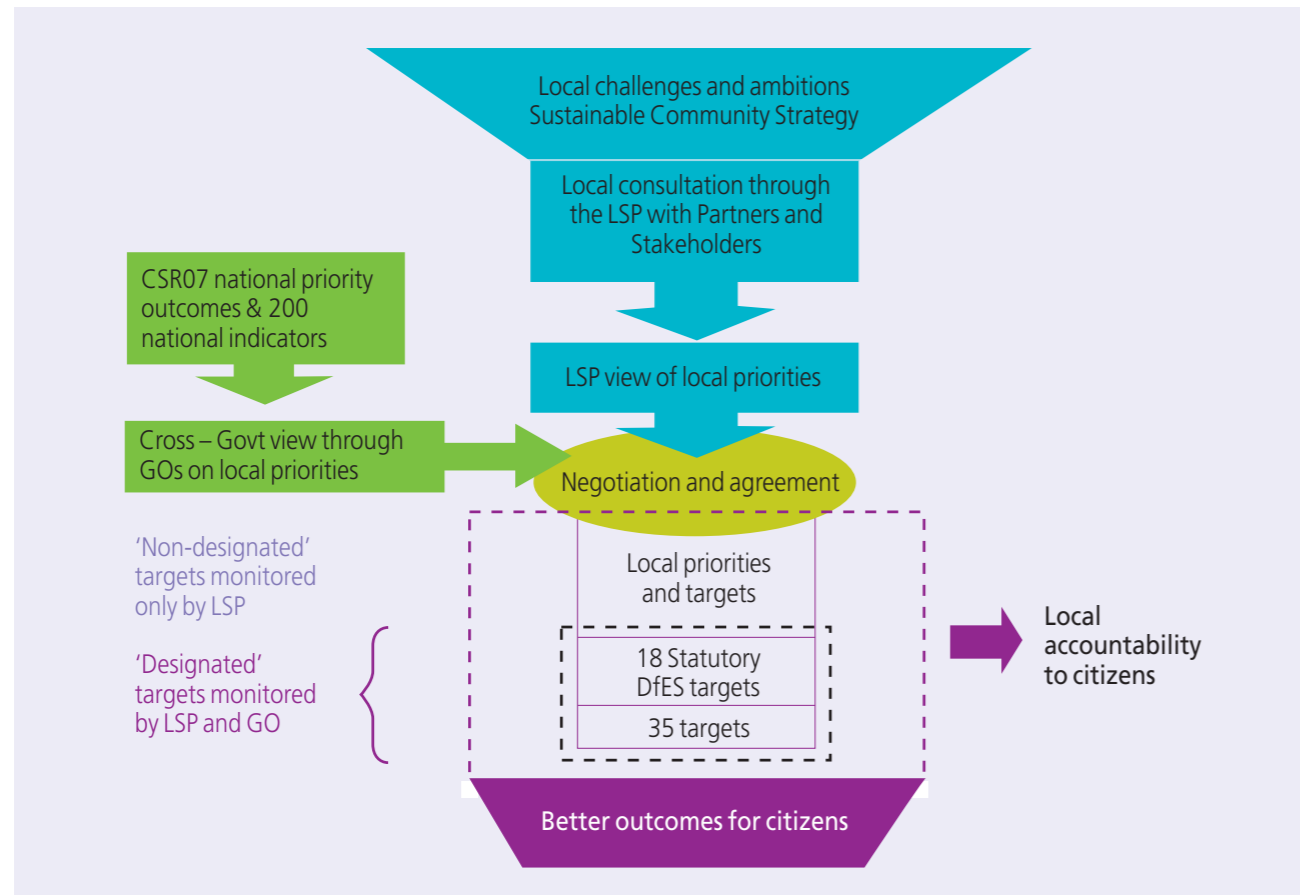
The new duties to co-operate and have regard to agreed LAA outcomes will help to underpin a further change of gear in local partnership working. Capacity-building and

support for LSPs remains a crunch issue for 2007/8.


Beyond these developments, the LGA continues to argue for bolder devolution, particularly in relation to sub-regional economic levers. The recent LGA publication *Prosperous communities II: vive la devolution!* sets out in detail the case for 'differential devolution' in relation to economic development, skills, transport and regeneration, to restore the competitiveness of our major cities and sub-regions.

Meanwhile the inherent tensions between a centralist and localist perspective on LAAs remain. Parliamentary debate on the relevant clauses of the Local Government and Public Involvement Health bill is helping to test the limits of the government's devolutionary intent. Not for the first time, the devil will be in the detail and the real extent of letting go will emerge only when the new legislation and guidance is implemented.

Local government has a real opportunity to influence the new arrangements from 2008. The lessons of the last three years must shape a better way forward.



These new LAA arrangements are illustrated in the above diagram from the recent DCLG publication *Developing the future arrangements for Local Area Agreements*. The diagram was developed through joint discussion with the LGA. There will be continued consultation between DCLG, the LGA and councils implementing LAAs, on how the process of Government Office (GO) negotiation should work after 2008.



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