Office of the
Deputy Prime Minister
Creating sustainable communities

Local Area Agreements Guidance

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FOREWORD

Local Area Agreements are a new contract between central and local government to deliver the priorities of local people. In cities, towns and rural areas, we want to see shared goals delivered through strong local leadership and effective support from Whitehall. We aim to minimise bureaucracy and maximise delivery. This will achieve, greater efficiencies for local authorities and their partners giving them the freedom to work in a 'joined up' way to meet the challenges that localities face, in dealing with crime and anti-social behaviour, adverse public health trends, and the long-term econo mic and social well-being of our communities.

This needs collective and concerted leadership in local areas. This is the governing and community leadership role of councils and Local Area Agreements now give us a stronger joint framework for achieving this in partnership with those who provide other key services in the locality, and the voluntary and community sector and business community. A Local Area Agreement provides a healthy dose of local ambition, local knowledge, and local understanding of what works best to achieve national and local priorities.

The emphasis is on learning - LAAs signify a major change in the way central and local government work together. There is more to come as set out in the 10 year local:vision strategy for local government launched by ODPM last summer. The LAA pilots have taught us much and the guidance and toolkit reflect their experience. The policy has also developed further with the inclusion of the new fourth block on economic development and enterprise, and the integration of LPSAs as the reward element of LAAs. In the longer term we expect LAAs to be one of the key means by which central government communicates with local areas.

LAAs will help bring government and public service delivery closer to people. They give local councils and our partners a new way of ensuring better outcomes for people, as well as improved public services. We in central and local government must grasp the opportunity with both hands, and show what we can do.

Rt Hon David Miliband MP **Sir Sandy Bruce-Lockhart**
Minister of Communities and **Chairman of the Local**
Local Government **Government Association**

Overview

1. In the Local Area Agreements (LAAs) Prospectus, published on 27 July 2004, the Government set out the key aims of LAAs - to improve central/local relations; to improve service delivery; to improve efficiency; to improve partnership working; and to enable local authorities to provide better leadership. The agreements were clearly set in the wider context of the Government's 10 year strategy to build a new relationship between central and local government, based on mutual trust and responsibility.

2. LAAs were signed with 20 pilot areas in March 2005. The intention to have a second phase of agreements was announced in January of this year. In its election manifesto, the Government committed itself to LAAs, and has now agreed to roll LAAs out across England over the next two years.

3. There have already been some developments in the policy since the pilots concluded their agreements. There is an additional block on economic development and enterprise; there is a more developed outcomes framework and more developed performance management arrangements, which aim to deliver a greater reduction in the burden of performance reporting; there are more funding streams available for inclusion, such as the Neighbourhood Renewal Fund, where applicable, and, a single payment system in development that will enable all centrally pooled funding streams to be paid to areas in one payment. There will also be significantly more single pot LAAs this time, 13, enabling us to test further the potential benefits of being able to pool funding across the four LAA blocks.

4. In the longer term, we want to continue to develop the policy so that Local Area Agreements become one of the key means by which central government communicates with local areas. The LAA performance management and outcomes frameworks should become the key means for Government and local areas to agree priority outcomes and associated targets for improvement. It will also enable local areas to report on a focussed set of outcomes to national government becoming an area-based framework which encompasses or replaces all other area-based reporting frameworks.

5. As stated above, it has now been agreed to roll LAAs out across England. This does not mean that the policy will not continue to develop. We will use the experience of negotiating the next set of agreements to learn further lessons about what works best and to look at ways of developing the policy further. LAAs should ultimately provide a framework through which goals and priorities, differently geared for different parts of the country, can be agreed through a negotiation of equals.

Introduction

6. This guidance has been produced for those areas chosen as part of the second phase of LAAs, and replaces that produced for the first phase. We expect the remaining areas to agree an LAA in 2006/07, for commencement in April 2007. It builds on the lessons learnt from the pilots and has been produced in consultation with the pilot areas themselves, the Local Government Association (LGA), Government Offices (GOs) other government departments, the Improvement and Development Agency (IDeA) and Regional Development Agencies (RDAs).

7. It covers the scope of a LAA; partnerships; roles and responsibilities, both in the GOs and local areas; an outline of the negotiation process, including an indicative timetable; details of what a final LAA should contain and look like; how 2nd Generation Local Public Service Agreements (LPSAs) will be integrated with LAAs becoming the reward element of LAAs; details of funding streams and outcomes; details of support that will be available to authorities and links with other initiatives.

8. A toolkit for local areas has also been developed, which should be read in conjunction with the 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).

The Scope of a LAA

9. A Local Area Agreement is a three year agreement that sets out the priorities for a local area agreed between central government, represented by the Government Office, and a local area, represented by the local authority and Local Strategic Partnership (LSP) and other key partners at local level. It will be refreshed annually which will enable changes in national or local priorities to be reflected; an example being the Government's Spending Review 2006[1]. The initial LAA prospectus established the general principle that LAAs would be outcome based and would enable local authorities and their partners to deliver national outcomes in a way that reflects local priorities, particularly those identified in Community Strategies, which in turn reflect other strategies, such as the Local Neighbourhood Renewal Strategy, Crime and Drugs Strategies and the Children and Young People's Plan. This will give local authorities and their partners the flexibility to find local solutions to local problems, and to prioritise spending to achieve the outcomes identified in a LAA.

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[1] The spending review may have a fundamental impact on levels of funding and national priorities, which could result in a more detailed annual refresh. The current spending review (2004) covers the period 2005/06 to 2007/08.

10. This fits with the Government's vision for genuinely sustainable communities everywhere. Indeed, this is a cross-cutting theme which should underpin each of the four LAA blocks.

11. 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.

12. The agreement is made up of outcomes, indicators and targets aimed at delivering a better quality of life for people through improving performance on a range of national and local priorities. These priorities are grouped round 4 blocks, Children and Young People, Safer and Stronger Communities, Healthier Communities and Older People and Economic Development and Enterprise. These blocks provide very wide ranging coverage of issues in a local area. However the priorities need not be confined to these blocks. We would encourage local areas to consider other cross-cutting priorities that do not fit into the four blocks but that can also be tackled through the LAA.

13. The LAA should therefore reflect the local community strategy, the local neighbourhood renewal strategy where relevant, and in the case of the economic development block, in particular the Regional Economic Strategy. Areas may want to bring together the community strategy - setting out the longer term vision for the area - and the LAA - the practical expression of the community strategy. As set out in Vibrant Local Leadership we will be consulting on revised sustainable community strategy guidance. In some cases it may also be appropriate to consider other relevant regional strategies such as the regional spatial strategy.

14. Second Generation Local Public Service Agreements (LPSAs), where they have not yet begun negotiation, will be negotiated as part of the LAA and will become the reward element of the LAA. Whilst LAAs are not about stretch targets, rather better outcomes as a result of increase local discretion and reduced bureaucracy, the reward element targets will continue to be stretch targets with reward grant payable upon the achievement of the target, as was the case for LPSAs. Further details on how the LPSA will be negotiated as part of the LAA are given later in this guidance.

What a Local Area Agreement should look like

15. Annex B sets out a possible model for local areas to follow when submitting their initial proposals to Government Offices. Whilst it is not necessary for areas to follow this model exactly, they must ensure that their submission sets out the necessary information under the headings provided.

Partnerships, roles and responsibilities

16. LAAs should be taken forward by local authorities and Local Strategic Partnerships (LSPs) and other key partners at local level. It is important that LSPs are inclusive and arrangements put in place to ensure that any partners not currently on the LSP are brought into the development, negotiation and delivery of the LAA. Government Offices will need to be satisfied that all appropriate partners are involved in negotiations, particularly where partnership funding is being considered. Government Offices need to ensure that representative groups are included where a key partner is unavailable. This is particularly important for older people where The Pension Service is unable to field representatives for all LSPs. In these circumstances appropriate voluntary sector partners such as Age Concern, Help the Aged, etc should be invited.

17. For two tier areas, arrangements will be more complicated. LAAs provide a real opportunity to facilitate joint working between county and district councils, LSPs and other partners, and the scope to raise performance and direct funding more effectively across a locality to target priorities for local people. Areas will have to work hard to identify and agree priority outcomes and any agreement will need to demonstrate that there has been engagement with district councils and their partners. We expect areas to set out in their agreement the particular contribution each partner will make to the agreed outcomes. The county council and county LSPs, where they exist, should lead the discussions. County councils will need to work closely with the districts and county LSPs with district LSPs. Where there is no county LSP, or it is agreed locally, a district or grouping of district LSPs can fulfil this function. The important point is that all relevant partners are involved in the development and delivery of the agreement.

18. In two-tier areas, where districts are in receipt of Neighbourhood Renewal Funding, or the Neighbourhood and Cleaner, Safer, Greener Elements of the SSCF this funding must be directed from the County Council to the relevant district who must use the funding to help tackle deprivation in their most disadvantaged neighbourhoods.

19. Town and parish councils should also be engaged with the development of LAAs. Town and parish councils in many areas are already represented on LSPs and can make a valuable contribution to establishing local priorities. Many town and parish councils already play an important role in helping to develop and implement community strategies.

20. Fire and Rescue Authorities (FRAs) should be engaged alongside other partners, such as police authorities and police forces, in the development and delivery of LAAs. FRAs have the potential to contribute within and across the four blocks through improving safety in homes and workplaces and reducing arson and anti-social behaviour

through youth diversion and car clear schemes. This is in line with advice already disseminated to FRAs within the 2005/06 Fire and Rescue National Framework, published in December 2004.

Engaging Local People and the Voluntary and Community Sector

21. Community engagement and delivery by the third sector is a very important element in the development of all four blocks. The expectation is that successful LAAs will ensure the involvement of relevant stakeholders including in particular the Voluntary and Community Sector (VCS) and local people themselves in helping to identify, shape and deliver local services. Indeed, the VCS should already be represented on the LSP. The LAA should include a statement of the involvement of the VCS and local people in the design and delivery of the agreement. This should state for example how local people and the VCS have been informed; consulted; and given the opportunity to participate in the LAA process and the delivery of outcomes. The involvement of the VCS and local people should cut across the four LAA blocks. The SSC block also includes a mandatory outcome on community empowerment and areas will need to reflect this in their LAA.

22. The LAA should also state how partners have considered the capacity of the voluntary and community sector to contribute effectively and how they can best facilitate the involvement of local people. In doing so areas should look to build on 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 within the LAA[2]. Capacity building may be the means to achieving other outcomes or be an outcome itself. These initiatives reflect the Government's firm commitment to increasing volunteering and the proportion of public services delivered through the VCS, utilising the specific knowledge and relationships that this sector can bring with it.

23. Local compacts form the basis of the partnership relationship with the VCS, providing the framework for partnership working between local public sector bodies, including local authorities, and local voluntary and community sector organisations. Local Compacts are increasingly involving a wider range of public bodies. Further information on Local Compacts[3] can be found at www.thecompact.org.uk. LSPs are increasingly taking a leading role in this. 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 can also be a key

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[2] From April 2006 "Capacity Builders" will be responsible for disbursement of Change Up monies
[3] The Home Office is currently consulting on Compact plus which sets out proposals for strengthening partnership working with the VCS

resource to empowering local communities to become involved in their neighbourhoods.

24. It is possible that a new Defra funding programme aimed at tackling social exclusion in rural areas will form one of the funding streams to be delivered through LAAs from April 2006. The aims of that programme, on which Defra will be consulting during summer 2005, would also require the full engagement of the VCS in the LAA.

Business Sector

25. The business sector should already be represented on the LSP. If they are not, it is important to involve 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 and Enterprise but also in relation to the other blocks. Regional Development Agencies (RDAs) are business-led organisations charged with tackling regional economic development and regeneration. They have a statutory purpose to ensure a coordinated and strategic approach to the delivery of economic development in the regions. 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). In designing and delivering the economic development and enterprise block, LAAs should consider how outcomes and indicators address local priorities while reflecting and supporting the delivery of regional and national priorities. The role of RDAs is covered in more detail in the LAA toolkit.

Government Offices

26. Government Offices will represent the Government in the LAA discussions. GOs will already have had discussions with those areas selected to take part in the second phase of LAAs, and will have arranged or will shortly be arranging meetings with areas to discuss in more detail the process and answer any questions local areas have.

27. The GOs will also be responsible for the performance management and monitoring, including financial monitoring of the agreement once it has been signed, and will feed back as necessary to central departments. They will also have a role providing support to local areas during the lifetime of the agreement. The role of the GO is covered in more detail in the LAA toolkit.

Outcomes Framework

28. We have continued to develop the outcomes framework contained in the first advice note. The purpose of the outcomes framework is to provide a menu of possible outcomes and indicators which areas may chose to include in their LAA. Some outcomes and indicators and targets are mandatory for all areas, or mandatory if certain funding

streams are included. These reflect existing targets and therefore do not reflect any additional burden on the local area. The framework consists of a menu of high level outcomes drawn from national PSA targets or floor targets or other sources. Additional outcomes can be identified and put forward by local areas to reflect local priorities and circumstances. The framework is attached at annex D.

29. For the purposes of an LAA an outcome is defined as *'a high level aim, reflecting national and/or local priorities for improvement.'* The approach taken to the outcomes included in an individual LAA will need to be viewed in the light of other elements, notably:

  ➢ The selection of funding streams for the inclusion in the agreement which may influence the position on the outcomes; and

  ➢ The relationship with other plans, e.g. Children and Young People's Plan (required from April 2006), Department of Health Local Delivery Plans, Community Strategies and Regional Economic Strategies.

30. The Outcomes Framework is structured around four blocks:

  ➢ Children and Young People
  ➢ Safer and Stronger Communities
  ➢ Healthier Communities and Older People
  ➢ Economic Development and Enterprise

31. However, we encourage local areas to come forward with outcomes that both overarch these blocks and promote synergies between them. Engagement with relevant partners locally on cross cutting issues when considering these outcomes will be the key to their success.

Performance Framework

32. The overall performance framework for LAAs will be made up of a number of different elements and these are defined throughout the course of the following paragraphs:

  ➢ Outcomes and targets
  ➢ Performance information – monitoring and reporting requirements
  ➢ Local performance management arrangements

33. Characteristics of good performance management, as defined by HM Treasury and the Cabinet Office in *Devolving Decision Making 1*, are:

  ➢ Real time information – regular and robust data
  ➢ Can do culture inspired by good leadership
  ➢ Agreed lines of accountability
  ➢ Clear performance management review – challenge and support
  ➢ Transparent set of rewards and sanctions

Aims for the overall LAA performance framework

34. In the pilot phase, Advice note 2 set out the high level principles for the LAA performance framework. Since then we have been working to develop a clear performance framework for LAAs which takes on board the learning and experience of the pilots and seeks to achieve the following overarching aims for the overall framework:

    ➢ A common framework which allows flexibility for local approaches and tailoring towards individual circumstances;
    ➢ An area based framework which is joined up and coherent, where all reporting mechanisms are clear and that has the commitment of all partners and ensures clear horizontal accountability; and
    ➢ A clear set of 'streamlined' national reporting requirements.

35. One of the aims of the LAA process is to streamline, simplify and integrate existing performance management arrangements into one area-based framework. This should include the rationalisation of performance monitoring and reporting at all levels. This will take some time to fully develop and will be an evolving process – the following paragraphs set out some of the ways we hope to achieve this.

36. Local areas are dealing with a complex set of issues in relation to the LAA performance framework, both in terms of understanding the different arrangements of partners at the local level and bringing together the different mechanisms for monitoring and reporting the relevant information to meet central Government requirements. We want to continue to develop the LAA performance framework alongside local areas and will work in more depth with a small number of pilots to understand the local picture of performance management, monitoring and reporting, and to begin to address any barriers to prevent the streamlining and joining up of arrangements.

37. As part of the rationalisation of reporting requirements we aim to move towards a single clear set of outcomes and indicators based, in the longer term, on the relevant set of national PSAs which would form the core of the agreements, alongside local priorities that fall outside of this set. The PSA framework will be subject to discussion and review as part of Government's Spending Review 2006. It is appropriate that central Government should monitor and manage performance of these national and strategic priorities. This will provide clear reporting lines and delivery chains, removing duplication in performance management and monitoring.

38. For performance monitoring, we would like to move towards a real-time transparent and robust monitoring system that would provide all partners with access to relevant information. This would allow them to review and manage progress and performance across the LAA at any given point in time, provide information to local people about local

improvements, and contribute to a national picture of performance. This would be beneficial for local areas and GOs. This is an evolving process but support and information will be provided to local areas over time to help this develop.

39. LAAs can bring enormous benefits in terms of simplified and more transparent performance management. We have therefore developed a set of local performance management characteristics as the basis for successful performance management of the LAA. The characteristics aim to improve and build confidence in the local performance management arrangements. This is vital to allow further devolution of decision making and relaxation of central Government monitoring and reporting requirements.

Outcomes and targets

40. The outcomes and targets set out in the LAA will be the factors by which the success of the LAA is measured. One or more indicators should support each outcome and targets should be attached to indicators. For the purposes of an LAA a target is defined as a 'clear, timebound milestone for achieving the outcome.' Targets will be agreed in developing the agreement and contained within the LAA.

Performance information – monitoring and reporting requirements

41. There is a huge amount of information about local issues and services currently gathered and reported on, including arrangements for different programmes and funding streams. The LAA process provides the opportunity to streamline and reduce this performance management traffic, particularly in relation to the arrangements for different programmes and funding streams. For example, where Children's Fund is centrally pooled in the LAA, CF partnerships will no longer be required to complete quarterly claims and expenditure reconciliations or quarterly returns that track children receiving CF services.

42. For funding streams pooled in the LAA, current monitoring and reporting arrangements will be replaced by the need to only monitor and report those outcomes and targets agreed as part of the LAA, unless otherwise stated in the section on funding streams set out later in this guidance. We will continue to engage with Local Government and partners and central Government colleagues to understand the picture of local performance information traffic and 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.

43. As we develop LAAs and the wider performance framework, as proposed in the '*securing better outcomes: developing a new*

performance framework', we will be looking for reporting systems to be merged and streamlined. However, during the transition to the new framework, information that relates to national PSAs will still have to be collected and monitored through existing systems where this is necessary for monitoring progress nationally of the PSA target. This will include arrangements for specific programmes implemented to deliver national targets, such as the Drugs Intervention Programme and Prolific and Other Priority Offender Strategy. As proposed in '*securing better outcomes: developing a new performance framework',* with certain local public services it will also be important to retain a capability to assess performance across the country on a consistent basis. Certain specific frameworks, policing for example, will therefore continue. Other statutory reporting requirements, for example Best Value Performance Indicators, will still need to be collected and reported in the normal way*.*

Local performance management

44. Local areas will need strong arrangements for local performance management to ensure effective and efficient local delivery of the LAA. For the purposes of the LAA performance framework we have identified a number of characteristics as the basis for successful performance management of the LAA, building on the elements defined by HM Treasury and the Cabinet Office, as set out above, and the learning from the first phase of LAAs.

45. These characteristics focus on the strength of arrangements that the area has in place, as opposed to the particular systems it uses. They set out the basic needs of any performance management framework and are aspects that many areas will already have in place. The characteristics are set out to ensure that local areas are clear about the expectation and have the right support and capacity to deliver robust performance management that is fit for purpose.

46. Before the LAA is signed, local areas are expected to demonstrate they have the characteristics in place outlined below 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 meeting.

47. Outcomes:

> ➢ The agreed outcomes should be derived from evidence of local circumstances which may be set out in various strategies;
> ➢ There is buy-in at the highest level – political and official – from all partners to the LAA's outcomes and targets including both tiers in two-tier authorities; and
> ➢ There is clear agreement between partners about delivering the LAA

48. Indicators and Targets:

> Key national 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.

49. 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 in wealthy areas with pockets of deprivation).

50. Performance management and improvement:

> There are regular, robust and frequent processes in evidence for identifying locally when performance is succeeding or failing;
> Local partners are clear who is responsible for which outcomes and are developing their own local 'ladder of intervention';
> There is agreement between the GO and the local partners on possible GO lead actions to correct continued under-performance and the circumstances under which they would occur, taking account of the other wider support arrangements; and
> There are clear mechanisms for identifying and addressing changes in performance against the trajectories.

51. 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 with meeting a specific outcome, in which case it would be one on 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.

Delivering the LAA – the continuing interface between local areas and the GO

52. There should be a continuing dialogue between the local area and the GO after the agreement of the LAA as partners in seeking to deliver the agreed outcomes and targets. The level and nature of this dialogue should be tailored towards the individual circumstances of the local area. There are already mechanisms in place between the GO and the local area for performance monitoring and management of a number of outcomes and targets, for example for crime information through *iQuanta*. The performance monitoring and management relationship between the local area and the GO for the LAA should take account of these mechanisms. As real-time access to performance information evolves in other areas the monitoring of LAAs should also evolve to take account of this.

53. In order to bring together activity and secure coordination across the LAA these continuous ongoing discussions should be periodically summarised in a six-monthly performance review stock take meeting. At these, areas should report on progress against outcomes and targets and spend against each of the four blocks. 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; and
   - Development of further performance management and delivery mechanisms.

54. Discussion should focus on good performance, examples of innovative ideas which are delivering, and problems and how partners are resolving them. 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 – asking to see delivery plans, making recommendations for change, and agreeing action list for the next meeting. In subsequent meetings if progress is still not being made then the GO will begin to implement further action to address under-performance. The level of discussion on the points set out above will be tailored towards individual circumstances and capacity and less detailed in areas where performance continues to be strong.

Addressing under-performance

55. Where under-performance is sustained in areas of national priority, the GO will act to ensure action is taken by local partners. This action is likely to depend on funding streams included, which partner(s) are responsible for delivery and the nature of the problems, and may include the following progressive steps:

- Engagement of external support from within local government e.g. to build capacity;
- More regular monitoring of performance from the GO;
- Agreement of diagnoses and improvement plans with the GO.

56. 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 rapidly respond should performance once again dip.

57. Alternatively, in cases of chronic and/or sustained underperformance, e.g. over several consecutive quarters, the GO will work closely with the relevant central government stakeholders. In consultation with the local partnership, the GO - representing central government - 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 separate funding streams, i.e. the re-introduction of ring-fencing and potentially separate reporting arrangements;
- The dissolution of the LAA as a whole.

58. Every other six-monthly meeting, coinciding with the end of the financial year, will also include a strategic review of the LAA. As well as the agenda set out above, this will provide the opportunity for a strategic re-assessment of the LAA. It will enable local partners to consider with the GO whether the LAA outcomes remain the correct priorities in the light of, for example, Comprehensive Spending Reviews. It will also provide the chance to discuss the addition or removal of funds and associated targets to reflect performance and/or the changing national provision of individual funds.

The interface between LAAs and audit, inspection and Comprehensive Performance Assessment (CPA)

59. The blocks of the LAA are shared priorities and are embedded in the corporate assessment of CPA 2005 which will look at how councils work with their partners towards delivery of these shared priorities. Three of the blocks are reflected in separate themes within the corporate assessment, with economic development and enterprise reflected throughout them. In those areas where there is a LAA in place this will be a key piece of evidence of how the council delivers these priorities in partnership. In addition, the LAA may be taken into account in shaping corporate assessment activity.

60. As they develop LAAs will be considered as a key factor in shaping the long term approach to post CPA local Government performance assessment.

61. As stated in advice note 1 additional inspection activity will not be carried out 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 auditor's may wish to consider when carrying out this work, based on their view of the associated risk.

The Four Blocks and Single Pot

62. As stated above, the LAA will be grouped around four blocks. A brief overview of each block is given below and includes, amongst other things, details of how LAA discussions fit with any other discussions between government and local areas on the issues covered by the blocks.

63. It is worth emphasising here that the four blocks should not constrain areas. If there are any priorities that local areas would like to include in their agreement that do not fit easily into any of the four blocks they should discuss how best to handle these with their GO.

Children's and Young People's Block

64. The Children and Young People's (CYP) block provide an additional opportunity to address the Every Child Matters (ECM): change for children agenda, which aims to secure the best possible outcomes for children, young people and their families. The five ECM outcomes – Be Healthy, Stay Safe, Enjoy and Achieve, Make a Positive Contribution and Achieve Economic Wellbeing – mirror the key objectives for this block. LAAs and the closer integration of children's services through children's trusts are mutually reinforcing. LAAs support and can give added impetus to the ECM agenda with children's trusts as the main delivery vehicle for the CYP elements of the LAA.

65. As part of ECM, children's trusts bring together all services for children and young people in an area and focus on improving outcomes through integrated delivery. While integrated delivery can be fostered in many ways, and at many levels, joint commissioning, underpinned by pooled resources, will ensure that those best able to provide the right package of services can do so. The ECM web address is www.everychildmatters.gov.uk

66. Where an area is negotiating a second phase LAA to begin in April 2006, the discussion of the Children and Young People's block should arise from the CYP priorities conversation and the development of the

Children and Young People's Plan. The priorities conversation takes place between local authorities and their partners on the one hand, and between central government advisers and GO representatives on the other about local priorities for children and young people in the context of national priorities. For LAAs, this should consider the outcomes (including LAA reward element), freedoms and flexibilities and funding streams to be agreed during the course of the negotiations.

67. For areas that have already agreed a first phase LAA, the priorities conversation may be used to consider implementation so far and any issues arising.

68. Discussion of the LAA must involve all relevant partners at both local level and at regional level on behalf of Government. This is particularly important where partnership funding is involved and/or where there is a specialist adviser or fieldforce responsible for a particular policy area e.g. Sure Start, Connexions, Children's Fund, Teenage Pregnancy, National Workforce Remodelling Team. The VCS should be involved at all stages from need analysis and prioritisation to commissioning. The LAA should also include a commitment by the local area to ensure the active participation of children and young people in the design and delivery of services included in the agreement.

69. Ensuring that children and young people are able to make healthy choices needs to be an integral part of the LAA, as part of the 'be healthy' outcome of ECM is an important outcome in its own right and also supports the other ECM outcomes. The National Service Framework or Children, Young People and Maternity Services sets out national standards for children and young people's health and well-being, and the Choosing Health Public Health White Paper Delivery Plan builds on this by setting out the key public health priorities for children and young people. These documents provide an additional framework in which to develop LAAs for children and young people across the board and ensure a focus on key high impact interventions and markers of good practice.

70. Children's trusts will have a critical role to play in determining the services needed to drive forward improved outcomes in children's health and well-being, as well as in education and social care. As set out in the Choosing Health Delivery Plan, ensuring delivery of improved health outcomes through Children's Centres and establishing Healthy School status are examples of key interventions that focus on improving health outcomes from conception right the way through to adolescence.

71. Links with the Healthier Communities and Older People block are likely to be important in delivering improved outcomes for children, and it will therefore also be important to ensure alignment with the relevant Local Delivery Plans of PCTs.

<u>Healthier Communities and Older People</u>

72. The Healthier Communities and Older People block provides an opportunity to improve the health of the local population and reduce the profound inequalities in health that exist between areas and groups, particularly in the Spearhead Group of local authority areas which have the worst health status and deprivation. A key objective for this block, therefore, is to ensure joined up action to improve the quality of life and health of disadvantaged areas and groups and older people. LAAs will be expected to demonstrate progress on both elements of this block – improving public health and promoting independence and wellbeing for older people – and the selection of indicators should reflect the full breadth of the policy coverage in services provided by local authorities, the NHS and their partners.

73. LAAs will be expected to demonstrate their engagement with the Government's PSA health of the public targets and supporting older people's independence targets. Related Commission for Social Care Inspection (CSCI), Audit Commission and DH indicators are among those that can be included in LAAs.

74. The block should demonstrate the co-delivery role for local authorities and Primary Care Trusts (PCTs) set out in the Choosing Health White Paper Delivery Plan. In order to maximise the impact of this block, areas should consider the best practice guidance published by the Health Development Agency. The priorities identified in the annual reports of the Directors of Public Health as well as the health equality audits may also prove useful in the prioritisation process. PCTs are important partners for LAA local authorities in identifying, designing and implementing appropriate services in this theme, and providing information on health.

75. The PCT contribution to the LAA will be signed-off by the Strategic Health Authority (SHA), who will ensure this is aligned with the Local Delivery Plan (LDP). LDPs for the period 2005/06 – 2007/08 will be signed-off by summer 2005 and PCTs in the second wave of LAAs should align the NHS contribution to the LAA with the already agreed LDP. There should, however, be scope to build new activity on to the LDP. From 2006/07 new shared indicators applied by CSCI and the Healthcare Commission (to be published later this year) should allow for aligned assessment within both the regulator's rating and health check systems.

76. LAAs are integral to a local area's approach to addressing the impact of an ageing community and delivering outcomes which will improve the quality of life of older people, by promoting active engagement and participation, independence and choice.

77. Local areas should develop wider partnerships (including utility companies, for example) with the objective of mainstreaming older

people interests into all areas of the community such as: take up of welfare benefits; home security; crime and fear of crime; energy efficiency; better access to care; and, a range of opportunities for self-fulfilment and civic engagement. This is about extending our reach to promote well being, independence and social inclusion for older people, both by improving services but also better provision of information about what is available and easier access to the services themselves.

78. In order for older people to live active and fulfilling lives, they should be productively engaged (including those who are hard to reach) in the process of development and design of services that meet their needs and aspirations. Availability of those activities which promote well being and social inclusion - such as leisure and life long learning - deserves the same consideration as quality and accessibility of services which respond to need when it arises - such as health and social care. And where an acute need does arise, it becomes even more important to ensure services are joined up, person-centred, tailored to individual need and provided in ways which give older people control and choice.

79. Local areas should address and respond to issues, beyond health and social care, in the areas that older people say are important to improve their quality of life:

> ➢ Housing and the home
> ➢ Neighbourhood
> ➢ Social activities, social networks and keeping busy
> ➢ Getting out & about
> ➢ Income Information
> ➢ Healthy living

80. These domains cut across the full range of local community priorities, and local areas should seek to ensure that older people are represented and their needs taken into account in developing outcomes in all aspects community planning.

81. The Healthier Communities and Older People block will be handled through the Regional Public Health Group in the Government Office and the SHA.

Safer and Stronger Communities Block

82. The starting point for the Safer and Stronger Communities Block is the Safer and Stronger Communities Fund. The purpose of this fund is to help partners to work together in addressing priorities around crime, drugs, anti-social behaviour, improving public spaces, making public services more responsive to local needs and empowering local communities to influence local decision making, encouraging greater active citizenship and more formal volunteering in civic life. Phase Two LAAs will already have negotiated Safer and Stronger Communities

Fund agreements and these should provide a foundation from which to develop this theme.[4] The LAA toolkit provides further advice for areas starting a LAA in April 2006 on how to import their Safer and Stronger Community Fund agreements and further develop them into the SSC block of their LAA.

83. In developing this block it is important that Local Authorities ensure that their local delivery partners are fully engaged, including neighbourhood management pathfinders, environmental CVS organisations such as BTCV and local Groundwork Trusts, local VCS infrastructure organisations together with Community Empowerment Networks where they have been established, and members of crime and drug partnerships, Youth Offending Teams and policing and criminal justice agencies.[5] This theme should reflect these partners' existing strategies or delivery plans e.g. strategies for renewal of neighbourhoods, and plans for tackling Prolific and Other Priority Offenders or reducing reoffending. The development of this block is also an opportunity to tie the LAA outcomes and targets to existing priorities and targets such as those contained in Policing and Performance Assessment Framework, to avoid repetition or duplication.

84. LAAs should of course reflect the cross-cutting nature of delivering outcomes such as the need to promote cohesive communities. Therefore, in developing the Safer and Stronger Communities block it is crucial that outcomes are linked with wider outcomes in other blocks. For example, many solutions to crime and disorder are rooted in better health, housing, education and environmental design and that is why it is so important for crime and drugs partnerships to work closely together with other LSP partners. Local areas should consider the use of cross-cutting programmes, such as the Children's Fund, that deliver against outcomes in each block.

85. Reducing reoffending is a good example of this type of cross cutting outcome as it involves paying attention to supporting people, particularly vulnerable people such as children and older people with the added intention of reducing crime. Most obviously, reoffending has an impact on its victims, and on their families, and communities as a whole, predominantly the most disadvantaged. It also exacts a heavy toll on the families and lives of reoffenders, many of whom are themselves from vulnerable groups in society.

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[4] For instance the agreements will already have crime reduction targets negotiated with Crime and Disorder Reduction Partnerships as part of the Home Office PSA 1 process, and for those crime types not covered by British Crime Survey (BCS) Comparator crimes, including domestic violence (offences other than those in the BCS comparator, alcohol fuelled violence, sexual offences, gun crime, race and other hate crime and crimes against business where these cover a local priority.

[5] The term 'Crime and Drugs partnerships refers to all local arrangements covering the roles of Crime and Disorder Reduction Partnerships (CDRPs) and Drugs Action Teams (DATs). CDRPs and DATs should either be merged or have close working relationships.

86. In terms of cost to the criminal justice system, recorded crime alone committed by ex-prisoners comes to at least £11 billion a year and an ex-prisoner's path back to prison is extremely costly. In addition ex-prisoners are likely to be prolific offenders.[6] The Prolific and Other Priority Offender Strategy has been implemented as a mainstream approach for the police, probation and prison services to tackle this. However the end to end requirements of offender management means that other local partners (including local people) need to provide the support and services necessary to intensively manage identified offenders to rehabilitate them from offending lifestyles. Local Authorities and their partner's roles in tackling offenders are affirmed by the LGA's report 'Going Straight'. The LAA is therefore an ideal opportunity to deliver clear cross cutting cost effective outcomes and consideration should be given to the prioritisation of services within the Community Safety agenda.

87. The drugs agenda is also an example of a cross cutting agenda where tackling underlying causes of substance misuse must go hand in hand with work to reduce crime, reoffending, anti social behaviour, work to provide avenues out of drugs through neighbourhood renewal, employment opportunities and better sustainable housing and to engage and work with communities.

88. The liveability agenda is another area where a cross cutting approach can help deliver cleaner, safer and greener communities, in addition to helping increase public reassurance; for example by increasing opportunities for leisure, sport and exercise by working collaboratively with the community (young and old) and voluntary sector, and perhaps supervised offenders from the local Prison, Youth Offending Team and probation, to reclaim neglected public space, currently being used for illegal or anti-social activity.

89. Similarly, neighbourhood management is an area that can offer cross-cutting outcomes across all LAA block. It helps the full range of service providers working in individual priority neighbourhoods to enhance and join up services and improve local outcomes, harnessing the knowledge of residents and front line workers.

90. The Cleaner, Safer, Greener Element of the SSCF provides predominantly capital funding. This can be used to deliver a wide range of physical improvements ranging from small refurbishments to the creation of new public spaces. But experience with the Liveability Fund has shown that such improvements are more sustainable when accompanied by robust management and maintenance regimes that can preserve the quality of these spaces. By aligning the various SSC funding elements, the overall cleaner, safer, greener outcome can be enhanced and sustained. Local Authorities should also seek relevant

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[6] Home Office research indicates that around 100,000 offenders are responsible for nearly half of all crime (5000 of the most active offenders responsible for one in ten offences).

professional advice on public space design and improvements from organizations such as CABE Space. Many local authorities already adhere to the principles and approaches underpinning the Green Flag Award scheme in terms of improving, managing and maintaining green spaces, even where they do not apply for formal assessment of their parks and other green spaces.

91. Public space issues concern people of all ages in all areas. Litter, graffiti, fly-tipping, abandoned cars, the loss of play areas and footpaths are, for many, the top public service priority; and everyone has a part to play. There is a clear continuum from litter to more serious environmental crime. Left unchecked, dirty streets and neighbourhoods affect the perception of local community, which can lead to anti-social behaviour and eventually serious crime.

92. The Safer and Stronger Communities Block can also include other environmental issues such as waste management, accessibility to the countryside and local air quality. For those areas in receipt of Aggregates Sustainability Levy Fund, this fund can be included in the LAA providing there is a clear linkage made between the community projects to improve the local environment and the effects of aggregates production and that this is reflected in the relevant outcome.

93. The need to engage local people and the voluntary and community sector in developing and delivering sustainable solutions is essential, and also helps build community cohesion, which is a key building block of 'Sustainable Communities'. The safer and stronger elements are complementary, not competing, agendas and should be given equal prominence within the LAA. One example of how this can be achieved includes community safety partnerships focussing on the number of volunteers or voluntary and community organisations working to deliver their targets and seeing how they can actively support and improve performance of the organisations and volunteers.

94. Community participation in the planning, delivery, management and maintenance of public spaces can also produce significant community cohesion and sustainability benefits. Generally, such participation results in the provision of more locally relevant facilities for which the local community have a greater sense of ownership. This is reflected in spaces that are better used, meet the needs of all sectors of the community, and are respected. Although not immune, they are much less likely to be the focus of anti-social behaviour and serious vandalism.

95. Community participation in service delivery obviously stretches well beyond consultation. 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. Areas should therefore consider how this agenda applies across all the LAA. Community participation 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.

96. Government Offices will need to make strong links with other regional and sub-regional partners on areas not covered by their remit, for example on criminal justice, immigration or offender resettlement. Key regional Criminal Justice Partners will be the police and Regional Offender Managers under the National Offender Management Service (NOMS) programme and for drug treatment the National Treatment Agency.

Economic Development and Enterprise Block

97. The Economic Development and Enterprise Block gives areas the opportunity to improve the economic growth and productivity of a locality, addressing market failures that prevent sustainable economic development, regeneration and business growth – consistent with the analysis in the HM Treasury publication *Productivity in the UK 4: The Local Dimension.* The key drivers of the Government's policy on economic growth and productivity – employment, enterprise, skills, innovation, investment and competition – are reflected in the objectives for this block.

98. Delivery of successful policy on economic growth and productivity requires close working, and often co-delivery, between key partners with responsibility for these closely related policy levers. This often requires working across geographical administrative boundaries. Key partners in the development of this block will be Regional Skills Partnerships, Regional Development Agencies, Learning and Skills Councils and Job Centre Plus. Regional Skills Partnerships include RDAs, LSCs, Job Centre Plus, the Skills for Business Network and the Business Links Network. Their role is to ensure that the strategy for the supply of skills, training and business support and labour market services is planned, managed and delivered in a coherent, collaborative way which reflects the priorities set out in Regional Economic Strategies.

99. RDAs are responsible, in consultation with partners for the development of Regional Economic Strategies. They also have responsibility for advising government more generally on economic development. Government Offices will therefore look to fully involve RDAs on proposals for this block, in particular how they fit with RES. Clearly, RDAs will also have a role, in partnership with others, for the delivery of economic development and enterprise outcomes. Government Offices will ensure that arrangements are put in place to prevent any conflict of interest between these roles.

100. The selection from the outcomes set out in the economic development and enterprise block, and the indicators that accompany them, must be made in the context of the RES and other sub-regional

economic plans. Local areas should avoid the proliferation of schemes or initiatives that reinvent efforts underway by other key partners and rather focus on consolidation and growth that complement existing efforts as part of a broader, coherent strategy. To this end Government Offices – working together with RDAs – will monitor activity in this block to ensure it is fully consistent with the RES, and other sub-regional economic plans, thereby maximising impact.

101.   Economic development, particularly of deprived areas, is crucial to improving health and reducing inequalities in health. The Department of Health and Regional Development Agencies have agreed to work together at national and regional level to achieve economic and health objectives. The NHS is being encouraged to support local regeneration through its employment and procurement activities and the capital building programme.

102.   This block also contains a set of three basic mandatory outcomes that will apply to those authorities successful in applying for support from the Local Enterprise Growth Initiative (LEGI). A consultation document on LEGI was published alongside the budget[7]. Guidance on how LEGI will operate is due to be published in July, following the consultation.

Single Pot

103.   For this phase of LAAs, there will be 13 single pots. These areas were selected on the basis that their performance across the range of delivery services was good.[8] 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 funding on the achievement of any of the outcomes agreed as part of the LAA. However, where there are mandatory outcomes, indicators and targets associated with particular funding streams they will need to be included in single pot areas. The aim of the single pot LAA is to further investigate the key benefits of this additional flexibility.

Neighbourhood Renewal

104.   LAAs are expected to be a major tool in neighbourhood renewal, in particular, in overcoming disadvantage and improving the quality of life in areas facing the greatest challenge.

105.   Areas in receipt funding from the Neighbourhood Renewal Unit will have this funding pooled as part of their LAA. They must demonstrate how the LAA will help narrow the gap between the most deprived neighbourhoods and the rest of the district. Outcomes should

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[7] This can be found at http://www.neighbourhood.gov.uk/publications.asp?did=1509
[8] The Single Pot areas are: Blackburn with Darwen, Brent, Croydon, East Riding, Hampshire, Hartlepool, Herefordshire, Kingston, Lewisham, Shropshire, Westminster, West Sussex and Worcestershire

demonstrate how they will have a positive impact within deprived neighbourhoods and for BME and other groups that have been identified as disadvantaged.

106.   In two-tier areas, where funding from the Neighbourhood Renewal Unit is for a specific district, funding must be directed from the County Council to the eligible district who must use the funding to help tackle deprivation in their most disadvantaged neighbourhoods.

107.   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 below and the tables in Annex D indicate those outcomes that are mandatory neighbourhood renewal ones. Indicators and targets for these outcomes will be agreed during negotiations.

108.   Performance monitoring and management of NRF will form part of the LAA performance monitoring and management arrangements, provided these meet the core requirements of the NRF LSP performance management framework. One implication of this in two tier areas will be that districts will report progress against the outcomes (including the mandatory NRF outcomes) to the relevant county council, as the accountable body for the LAA who will include this with the information they supply to the Government Office.

109.   LAAs outside areas that receive funding from the NRU may also have pockets of deprivation so may consider including a specific focus on these areas in their strategies and outcomes too. Partners should strive to ensure a consistency of outcomes and indicators between the neighbourhoods and local authority as a whole, so it is clear where action in a neighbourhood is feeding through to help to achieve wider local outcomes.

> **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.

> **EDUCATION** – 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 5 or above in each English, maths and science.

> **HEALTH** – Reduce premature mortality rates [by x%], and reduce inequalities in premature mortality rates between wards/neighbourhoods [by x%], with a particular focus on reducing the risk factors for heart disease, stroke and related diseases (CVD) (smoking, diet and physical activity). x will be determined during discussions.

- ➢ **HOUSING** – 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.

- ➢ **LIVEABILITY** – 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.

- ➢ **WORKLESSNESS** – 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.

Other areas that Agreements may cover

Transport

110. Local transport authorities (outside London) are preparing five year plans, which include their transport-related objectives, targets and programmes. Provisional five year plans are due to be submitted to DfT in July 2005, with final plans following in March 2006. The local transport plans are required from shire counties and unitary authorities (other than CPA excellent authorities, which may elect to produce them). One plan is required per former Metropolitan County - involving the metropolitan districts and the joint passenger transport authority. In London, boroughs do not produce local transport plans - they do produce local implementation plans for the London Mayor in respect of local elements of his transport strategy.

111. Mainstream transport capital funding is allocated to authorities outside London on the basis of the plans. Where this transport capital has a significant role in delivering the outcomes of the LAA it can be included in the LAA and reported on through the LAA. Local authorities already have substantial discretion about the selection and level of targets to be used for performance management. The Department issued guidance to local authorities about Local Transport Plans in December 2004. Local Authorities will still need to produce short annual progress reports about the delivery of their whole local transport plans.

112. DfT guidance to local authorities indicates that transport plan objectives can relate to a wide variety of priorities - including congestion, public transport, regeneration, road & community safety, health & fitness and a range of environmental issues. Improving accessibility, particularly for the socially excluded, is a major and developing policy priority for transport plans, which is closely related to improved outcomes for children & young people, health & elderly people and safer & stronger communities.

113.   Local transport authorities are encouraged to involve stakeholders extensively in the development of their local transport plans.   A key policy initiative for this new round of plans is the inclusion of accessibility strategies - for which daughter guidance has also been issued by the Department.   Accessibility planning is a cross-Government initiative and policy guidance has also been issued by a number of other departments to their delivery agencies.

Culture and Sport

114.   DCMS funding and priorities fit well with the aims of local area agreements. Culture and Sport are integral to the sustainability of a local area and can be used to meet a wide range of local needs. Culture and sport can contribute to all of the LAA blocks and to community wellbeing more generally. These sectors should be seen as operating in a cross cutting way across the full range of local community priorities. It is for local areas to decide which block is most appropriate for outcomes relating to culture and sport.

115.   DCMS is keen to encourage the cultural and leisure services to think creatively about the way in which they can add value to broader community needs and priorities, and for local authorities to be imaginative about using culture and sport to address local issues.

116.   Non Departmental Public Bodies (NDPBs) such as Big Lottery, Arts Council England, Sport England, English Heritage, Museums, Libraries and Archives Council (MLA) and others should be engaged in discussions over the use of funds and outcomes. Good examples of partnership working are emerging from the first phase of pilots. More details on these can be found in the toolkit.

Rural areas

117.   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. Government is committed to ensure that its policies, however they are delivered, reach people and communities in rural areas as well as they reach anyone else. Therefore in an LAA which covers an authority with rural areas we would expect to see commitments to meeting the needs of those people and communities too. We would expect that rural proofing tools and techniques would be used to help highlight particular areas which needed attention and that where rurality poses challenges to delivery, the authority would seek to find innovative solutions to this - either by developing them themselves or by seeking good practice examples from others. Whilst we would not expect by default to see rural outcomes there may be areas where rural targets suggest themselves naturally - for example in some of Defra's indicator districts for its PSA4.

118. In March 2005, Defra launched a series of rural delivery pathfinders to test innovative approaches to delivering rural policy and tackling social exclusion at the local level. These local authority-led pathfinders are aimed at promoting local solutions to local problems, and at local prioritisation of available resources (delivered through multiple funding streams). They are intended to promote innovative delivery arrangements, through strengthened local partnerships, and a clearer, joined-up focus on outcomes. There are, therefore, clear synergies between the pathfinders and LAAs. Dorset County Council is both a pathfinder and an LAA, and there are other areas where the two overlap, providing valuable testing grounds for new arrangements. The LAA and pathfinder can fit well together to provide a comprehensive approach to rural delivery of mainstream services in rural areas. It will be important to draw greater links between the pathfinders as they exist now and rural local delivery in the future to ensure that the lessons learned from the pathfinders are shared and applied across the country, perhaps through LAAs, when the pathfinders come to an end in March 2007.

Environment

119. There are real opportunities to join-up action on the environment with actions to promote the social and economic well-being of local communities. Protecting and enhancing our natural resources, and ensuring community enjoyment of them, should form an integral part of LAAs, whether in urban or rural localities. This may include improving local public spaces, protecting local species, helping to tackle climate change, waste management, and enabling the community to enjoy urban green spaces and/or the local countryside through increased access to these areas and maintenance of public rights of way.

120. Defra is keen for local authorities and their partners to think about how to build outcomes focussed on the local environment into their LAAs, whether through linking environmental issues to other outcomes in the four blocks, or in developing cross-cutting or specific environmentally-focussed outcomes. Much of the work that local authorities and their partners undertake to preserve and enhance the local environment is funded through mainstream budgets and NDPBs, with a few exceptions such as the Waste Performance and Efficiency Grant and the Liveability Fund which are funded by central Government and can be pooled. Other relevant sources of funding might be included to support such outcomes.

Areas with low housing demand

121. Some local authorities may be involved in tackling low demand as a partner in one of the nine market renewal pathfinder areas supported directly by Government grant or in a low demand area supported by the Regional Housing Board.

122.   Market renewal pathfinders aim over the next 10 to 15 years to revive failing housing markets and eradicate the problems caused by low demand housing. Because housing markets cross administrative boundaries the partnerships are sub-regional, including between two and five local authorities. Housing market strategies, programmes and interventions need to be consistent across the local authorities which are members of the pathfinder partnership. Government funding goes to the partnership, which then makes decisions about housing market investment in the different local authority areas.

123.   The effectiveness of housing markets is not however entirely dependent on housing issues. Education, jobs, safety and health - for example - are also vital issues. Local Area Agreements therefore have a strong role to play in complementing and supporting the work of pathfinders. And pathfinders should work with their LAAs to ensure that strategies are mutually understood and programmes aligned wherever possible.

Housing Growth

124.   In major housing growth locations, the delivery of the infrastructure, services and economic strategy to support that growth should underpin outcomes and targets in each of the four LAA blocks. These outcomes and targets should be closely tied to the Local Development Framework and the Local Delivery Vehicle's business plan (where they exist).

European Funding

125.   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.

Equality and Diversity: Making improvements inclusive

126.   Apart from general equality considerations, there are implications for LAAs in relation to two aspects of the Race Relations Act 1976 (as amended).

127.   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.

128.   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, e.g. will health inequality targets also address differential health outcomes that are race related?

Agreement Process

129.   The agreement process can be broken down into a number of steps. These are set out below, with an indication of when each stage should be completed. The intention of these timings is to give areas an idea of what will happen by when. More specific milestones can be agreed with the relevant Government Office.

Before discussions begin for new LAAs

130.   In advance of discussions beginning, both local areas and Government Offices will need to do some preparatory work. The first step, from a local area perspective, is to engage with all of the relevant stakeholders in their area. This work should have started when areas were considering whether or not to express interest in taking part in this phase of LAAs. NRF LSPs will have already done some analysis of priority outcomes, neighbourhoods and their most disadvantaged groups through carrying out performance management self-assessments. LAAs in these areas should build upon this analysis.

Start of discussions – local areas should aim to make initial submissions to Government Offices by end of September

131.   Annex B gives a model for the initial submission. Whilst it is not necessary for areas to follow this model exactly, they must ensure that their submission sets out the necessary information under the headings provided. Experience from the pilot was that those areas that considered priorities and outcomes first and then looked at what funding streams were involved found the process easier than those who looked at funding streams first. The LAA toolkit gives more information on what local areas should be doing when preparing their initial submissions.

Agreements will proceed at different speeds for different areas depending on local circumstances. The expectation is that agreements should have been completed by end of February 2006

132. Each GO and local area will agree the exact process they will follow. The key point is that the final agreement should be clear about what outcomes, indicators and targets have been agreed, to what timescales; which funding streams are being paid in one payment, and which aligned; what freedoms and flexibilities have been agreed.

<u>Sign-off of agreements – these agreements are due to start on 1 April 2006 the aim will be to have them signed off by Friday 24 March at the latest.</u>

133. Final agreements will need to be cleared by Ministers and will be signed on behalf of Government by the Minister of Communities and Local Government. As with round 1 of LAAs, we would expect the Leader of the Local Authority and the Chair of the LSP or another LSP representative where appropriate, to sign on behalf of the local area. It is for local areas to decide if they want other partners to sign the final agreement.

<u>How will disagreements be resolved during discussions ?</u>

134. By definition, LAAs are agreements and all sides therefore need to be happy before agreements can be concluded. Where there are disagreements, we could expect these to be resolved locally through the local authority, LSP and other partners and the GO Regional Director.

The Reward Element of Local Area Agreements

135. As this guidance note explains, local areas will negotiate and agree with Government Offices a range of outcomes for inclusion in their LAA, along with indicators, targets and baselines for each.

136. From among these priorities, an authority will have agreed with local partners around 12 priorities for improvement locally, where they will deliver measurable stretched performance over the following three years in return for the payment of reward grant (formerly the LPSA and now to be known as the reward element of the LAA). The reward is only related to these stretch targets, and not to the whole LAA.

137. The authority will need to reach agreement with the GO on the selection of these priorities for improvement, and the indicators by which progress will be measured. The authority and the GO will then negotiate the amount of enhanced or "stretched" performance which will be delivered over the next three years in order to receive performance reward grant.

138. Authorities will continue to receive a Pump Priming Grant to invest in achievement of the stretch targets, and also to negotiate specific freedoms and flexibilities with the Government Offices to aid achievement.

<u>Fundamental principles</u>

139.   There are several elements that are fundamental to the negotiation of the reward element of LAAs:

> ➢ The performance reward must be paid on the most important priorities for improvement locally.

> ➢ Reward targets should achieve significant improvements which local people would reasonably expect from public services.

> ➢ Government and Local Authorities must agree that the "with reward" performance is genuinely stretching over the three year life of the LAA.

> ➢ Target areas and levels must provide suitable value for money.

140.   The outcomes framework in Annex D provides a menu of indicators which are suitable for reward grant. This includes all indicators previously negotiated in LPSAs. Areas are free to develop new indicators for reward in discussion with the GO.

<u>Negotiating the Reward Element</u>

141.   In negotiating the reward element, Government Offices and authorities must agree the baseline current performance on the measures they plan to use. From this, they should agree the level of performance that would be expected normally during the LAA without the intended action to achieve a stretched outcome. Finally, they should agree the level of stretched performance that may occur as a result of such action.

142.   GOs and authorities will need to agree the methodology by which stretched performance is to be identified and measured for each individual target. In some cases this may be by reference to national trend comparator data, and in others by reference to percentage increases in performance or increases expressed in absolute/actual numbers.

143.   ODPM is interested in exploring further a possible mechanism for negotiating an individual authority's stretched performance by reference to the relative performance of local authorities/areas nationally, as reported by BVPIs. For services where the data was available, an authority's current and projected positions in national performance tables would be used to set baselines and unstretched targets; and stretch might then be set according to the percentage rise up the rankings an authority was additionally able to achieve. The aim would be to devise a model which could be applied consistently across negotiations.

Review of the Reward Element

144.   A number of changes are being introduced to the negotiation of the reward element to ensure that the programme continues to achieve the aims and principles set out above.

Indicators

145.   The Government is adopting a more pragmatic approach to the type of measurable indicators that can be used to attract reward grant. The Government has accepted that – where it is impossible to measure outcomes at the local level, or where changes would not be evident over the three-year timescale of the reward element – proxy indicators may be included within the outcomes. Areas should continue to clearly articulate the desired outcomes and demonstrate a plausible link between the proxy measures being proposed and those outcomes. Annex D contains a list of indicators drawn from existing national PSAs, local PSAs and LAAs that could be eligible for reward grant if associated with a satisfactory level of stretch. Some indicators, for example reducing the number of looked after children or reducing the number of re-registrations on the Child Protection Register, could potentially create a perverse incentive and should not therefore be included. This can be discussed during the negotiation of the reward element. Further advice will be available during discussions for specific policy areas such as anti-social behaviour, community cohesion and stronger communities. Areas are still free to suggest their own indicators outside this framework where they meet the requirements above.

Variable Performance Reward Grant (PRG)

146.   LPSA2 guidance allows for different proportions of PRG to be paid for different stretched targets in certain circumstances within the same overall amount of PRG per authority. This will be more readily available for future negotiations.

147.   In seeking a higher level of PRG for certain targets, a local authority would need to clearly demonstrate to the GO why those targets are particularly challenging ones to achieve stretch on or how the authority was proposing a major step change in their approach to these service areas and therefore why extra PRG was justified.

148.   ODPM are interested in testing the extent to which an extra freedom, related to earlier payments of performance reward grant could help authorities make bigger (and earlier) improvements in service delivery. Local authorities in the second phase of LAAs who are rated "excellent" and are interested in this should discuss it with their Government Office at an early stage. The freedom would, where granted, be subject to controls including the clawback of "unearned" grant.

<u>Pump Priming Grant (PPG)</u>

149.   At present, authorities are given all their PPG in one lump sum, in the financial year in which their LPSA is signed.   The PPG is intended to help them review the services in the LPSA so that stretch is achieved over the three years.   Authorities can distribute this money between targets as they wish and can spend it across the three years as they wish. It is also non-refundable, and Central Government doesn't examine how this money is spent.

150.   PPG will be paid at the same time as the first instalment of LAA pooled funding – i.e. at the end of April, 2006.

<u>Implications of policy changes for the live LPSAs</u>

151.   Any targets in the current 63 stand alone LPSAs which have been agreed between an authority and Government Departments by 22 June will not be reopened.   But where targets have not yet been agreed, authorities may use the list of indicators in Annex D to consider their options for the remainder.

<u>Freedoms and Flexibilities</u>

152.   There are a number of significant freedoms and flexibilities that all areas receive as a result of having a LAA. These are listed at Annex C. In order to overcome potential specific obstacles to the delivery of LAA outcomes and targets, areas may suggest individual freedoms and flexibilities from Government. As with LPSAs, this is most specifically the case for targets attracting the reward element. Annex C contains a selection of additional freedoms and flexibilities that were granted to some areas in the pilot LAAs.

153.   Whilst freedoms and flexibilities are not the main focus of LAAs, should local areas identify any freedoms that would enable them to improve the delivery of services – and particularly for specific changes to enable the attainment of targets attracting the reward element - the LAA offers them an opportunity to put these forward. In considering freedoms, there are a number of issues local areas need to consider. These are set out in detail in the LAA toolkit.

Funding Streams

154.   There are three types of funding that can be used towards the achievement of the outcomes agreed in an LAA:

  ➢ Area specific funding allocated and distributed direct to the area by a Government Department.

  ➢ Mainstream funding, such as RSG, Police, NHS, PCT and Schools funding.

> ➢ Funding to NDPBs such as RDAs, Big Lottery, Sport England and Learning and Skills Council.

155.   The area specific funding can be pooled centrally, i.e. grouped together and paid to the local authority, as the accountable body, in a single payment. For funding paid in this way, the freedoms in relation to performance and financial management and payment set out in this guidance apply. For any area based initiatives included in the agreement but not pooled centrally, any relaxations in monitoring and reporting arrangements will need to be agreed locally during the discussion of the agreement.

156.   Clearly it will not be possible to achieve many of the outcomes in the LAA without using mainstream funding. So mainstream funding can be aligned with LAA funding locally. If agreed with all relevant partners there may be some relaxations in the performance and financial management arrangements for this funding.

157.   NDPB funding can not be centrally pooled as it has already been allocated to the relevant body. It can however be pooled locally i.e. paid by the NDPB, at their discretion, to the local authority as the accountable body as part of the agreement, though for some NDPBs, this may need to be as a contract for specific services. Alternatively, as with mainstream funding, it can be aligned. There may be conditions applying to NDPB funding that need to be respected, Again, any relaxations in existing performance and financial management arrangements can de discussed during the discussion of the agreement.

158.   A list of funding streams that can be pooled centrally in any LAA subject to the agreement of satisfactory outcomes is at Annex A. In practice this means that there is no principled objection to including these funding streams and so discussions can concentrate on what outcomes will be delivered by including the funding stream. There are some funding streams that cannot be included in a single payment. This list has been arrived at after discussion with Ministers. These too are listed at Annex A so local areas are clear from the start what is possible. Funding streams that do not appear on either of these lists can be proposed by local areas and may be included subject to agreement of the terms under which they are included.

159.   In addition there are some funding streams that may be included in some areas subject to specific criteria being met. These funding streams and the relevant criteria are set out below.

160.   <u>Sure Start</u> – Sure Start is critical for delivering the Government's commitments on early years and childcare, recently announced in 'Choice for parents, the best start for children: a ten year strategy for childcare'. The following conditions will need to apply where Sure Start, which is subject to national ring fence, are included.

161. The negotiation and refresh of LAAs will need to reflect the following points to ensure that the set of parameters and conditions surrounding the inclusion of Sure Start is still appropriate and fit for purpose:

- The publication of DfES' upcoming Early Years Bill;

- Lessons learned from the National Evaluation of Sure Start;

- Forthcoming Sure Start Children's Centre guidance

➢ LAAs will be monitored on performance against the range of Sure Start indicators and objectives. If local authority decisions on the allocation of funding or if performance falls below acceptable levels, sanctions will be imposed as appropriate, including, if necessary, the re-introduction of the Sure Start ring-fence.

➢ The six monthly monitoring, for those areas pooling Sure Start, will need to identify spend on Sure Start Local Programmes and spend on children's centres. In order not to compromise the National Evaluation, SSLPs should continue to keep financial information in the F10 format.

➢ All Sure Start capital funding and Sure Start funding for pilot initiatives will not be considered for inclusion in LAAs due to disruption to existing programmes and evaluation.

➢ Where General Sure Start Grant funding is included the following mandatory indicators should be included within the LAA, in addition to any indicators/parameters that are established as a result of the measures in paragraph 161:

- the stock of childcare places in disadvantaged and other areas (to secure sufficient supply to meet the needs of families and develop a sustainable market);
- number of children's centres operational.

➢ Where Sure Start local programme funding is included, local authorities are asked to monitor and report progress annually on the following key indicators to continue to enable comparison of the success of their programmes against the national picture and identify any local problems in delivery:

- Number and proportion of mothers in Sure Start local programme areas who continue to smoke during pregnancy.
- Number of mothers in Sure Start local programme areas breastfeeding at 6 weeks.

- 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.
- Any additional indicators/parameters that emerge as a result of the measures in paragraph 161.

DfES will also be monitoring the following key indicators. However, there is no need for local areas to report these data as they are available from other sources e.g. Ofsted, surveys, evaluations:

- Number of integrated early education and childcare places available for children aged 4 and under, and this number as a proportion of all childcare places.
- Number and proportion of leaders of integrated early education and childcare settings with a qualification of level 4 or above in the National Qualifications Framework (those with QTS to be identified separately).
- Proportion of 3 and 4 year olds with special educational needs and disabilities who are, with appropriate support, attending funded early years settings.
- Annual turnover of Ofsted-registered full daycare providers, out of school clubs and childminders (annual turnover is the number of closures as a % of the average number of providers during the year).

162.   Drugs Intervention Programme (DIP): The following will apply in relation to DIP funding and LAAs:

➢ Funding for drug testing costs will be met centrally and will not be available for inclusion in a LAA;
➢ Criminal Justice Integrated Team funding will also not be available for inclusion in a LAA because of the absolute imperative of increasing the drugs workforce to meet new statutory obligations in the Drugs Act 2005;
➢ Throughcare and aftercare and capacity building elements of the DIP Main Grant are provided for the delivery of specific objectives. Those objectives are set out in guidance and referred to in the terms and conditions of the grants paid to partnerships in 2005/06.
➢ Where the two funding steams (mentioned immediately above) are considered for an LAA, local targets focussed on the objectives and outcomes of the DIP, as set out in the terms and conditions mentioned above, will need to be agreed in advance.

163. Wherever any aspects of the Drug Interventions Programme funding are in LAAs, that must be accompanied by a statement that the compact objectives (in DIP intensive areas) and expectations that are contained in the terms and conditions of DIP allocations (to intensive

and non-intensive DIP areas) must be met and complied with before any other activities can be funded.

164.   There can be no reduction in the reporting and data management arrangements that have already been agreed as part of the Drug Interventions Programme, this information is the minimum necessary to monitor the effectiveness of this programme.

165.   Youth Intervention Programme (YIP) - Four LAA pilot areas have been established to pilot increased freedoms and flexibilities in the delivery of Youth Inclusion Programmes. These pilots will be the subject of ongoing evaluation. As such all other mainstream crime prevention funding from the Youth Justice Board (YJB) will not be subject to inclusion in LAA's. The YJB, Home Office and DfES are currently examining ways to ensure crime prevention to Youth Offending Teams meets the principles outlined in both LAA's and the draft Youth Green Paper.

166.   PCTs will be able to negotiate with local partners about the inclusion of mainstream baseline health funding as part of the development of the LAA and the LDP.

167.   Children's Fund – 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 outline 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, contribute to 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 2 & 3) for 5-13 year olds.

168.   Supporting People – Officials will consider on a case by case basis bids from local areas to include Supporting People funding in the LAA. Final agreement to the inclusion of SP funding will be subject to reaching agreement on the outcomes to be achieved.

169.   Child and Adolescent Mental Health Service (CAHMS) – The CAMHS Grant may be included in LAAs where it has been established that the local area will use CAMHS Grant funding in a way that is consistent with the objectives as set out in the CAMHS Grant Circular.

170.   Pooled Treatment Budget – Inclusion of the Pooled Treatment Budget for substance misuse (part of PCT funding) within LAAs is possible, provided:

> ➢ This is agreed with local Drug Action Team Partners

> ➢ It results in agreed improved outcomes locally for drug treatment concerning increased numbers in treatment and more effective treatment (by reference to those discharged during the financial year who are retained in treatment for 12 weeks or more). Improved outcomes will need to be agreed with the National Treatment Agency.

171.   Safety Camera Partnerships – Whilst these can be aligned in LAAs, there will be no relaxation in the hypothecation arrangements to avoid fostering any perception or possibility that speed enforcement cameras would be deployed as general revenue earning devices.

172.   Connexions – to be included 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.

173.   GOs and Connexions Business Managers will want to be assured that local areas have in place a robust client management system that meets the Connexions Customer 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.

174.   Positive Activities for Young People (PAYP) – to be included subject to the funding for Key Workers remaining routed through Connexions Partnerships and migrating with Connexions Partnerships to LAAs. The PAYP funding formula will be revisited to align with LAAs and establish a new balance between funding for activities (which will be included in LAA budgets) and Key Workers (through Connexions Partnerships) in light of the overall PAYP budget being reduction in 2006-07.

175.   The Neighbourhood Support Fund is to be made available to LAAs from April 2006. The programme aim is to reengage disaffected 13-19 year olds back into education, training or employment. It is seen as a key NEETs intervention programme. Funding covers 40 of the most deprived local authority areas. All of these areas are covered by the proposed LAA areas. It is currently delivered via the voluntary community sector.

176.   <u>Standards Fund</u> - The local authority retained element of the new amalgamated single Standards Fund grant (comprising non-targeted grants to schools) will be available for inclusion where the funding continues to support schools. Where the Key Stage 3 Behaviour and Attendance Central Coordination Funding element is pooled, this must be used for the employment of a KS3 B&A consultant.

177.   <u>Disabled Facilities Grant (DFG) and Section 16 Tenant Empowerment Grant -</u> ODPM are happy in principle to consider the inclusion of these funding streams and will do so on a case by case basis depending on the outcomes local areas are offering as a result of their inclusion. With respect to disabled facilities grant a final decision on whether to dispense with the ring-fenced specific grant will depend on decisions taken nationally following the DFG Review.

Mainstream Funding

178.   As stated above, partners will want to develop their strategies for using mainstream funding in a more effective way to help achieve the overall outcomes set out in the agreement.

Payment Systems

179.   Building on the pooled payments made to pilots, for 2006/07 we are aiming to develop a payment system where LAA pooled funding, across the whole agreement will be made in a single payment to the local authority as the Accountable Body, probably monthly in arrears. Local authorities, as the accountable body, will wish to ensure that bodies such as the VCS are not disadvantaged by payments in arrears. There is no longer any requirement to submit claim forms, instead Chief Financial Officers must certify spend. We will keep areas informed of progress on the development of this system.

Support

180.   There will be Government Office, ODPM, LGA and IDeA support available prior to, during and after negotiations. Details of this support are given in the LAA Toolkit.

ANNEX A - FUNDING STREAMS

Funding Streams that can be centrally pooled in any LAA subject to the agreement of satisfactory outcomes.

Children and Young People	
Adoption Support and Special Guardianship Carers Grant Child and Adolescent Mental Health Services Children's Fund Choice Protects Community Support Grant Communities for Health Monies Connexions Education Health Partnerships Extended Schools (Standards Fund) Kerbcraft Key Stage 3 – Behaviour and Attendance Key Stage 3 - Central Coordination LEA Support for Workforce Re-modelling LPSA reward grant Note: Funding streams are subject to change in 2006/07 in line with the Government's commitment to funding rationalisation for local areas. Details of this will be covered during discussion of the agreement.	National Training Strategy Neighbourhood Renewal Fund Neighbourhood Road Safety Initiative Neighbourhood Support Fund Positive Activities for Young People Primary Strategy Central Coordination General Sure Start Grant (revenue) Sure Start Local Programmes (revenue) Teenage Pregnancy Transforming Youth Work Performance Improvement Fund Vocational and Work Related Learning – funds are paid through Government Offices Vulnerable Children Grant Partnership Grant School Travel Plans Standards Fund – local authority retained element of new amalgamated single grant.
Healthier Communities and Older People	
Disabled Facilities Grant Falls Prevention HaSCIE Healthy Living Centre Learning Disabilities LPSA reward grant Neighbourhood Renewal Fund Pension Partnership Fund Physical & Sensory Depravation	Preserved Rights Grant Relevant European funding Residential Allowance Grant Supporting People Targeted Voluntary Sector Funding (Social Services) Training support Grant
Safer and Stronger Communities	
Safer and Stronger Communities Fund – includes where applicable: Anti-Social Behaviour Grant Building Safer Communities Domestic Violence Grant Drugs Strategy Partnership Grant	Drug Prevention & Treatment Drugs Intervention Programme Home Fire Risk Check Initiative LPSA reward grant Neighbourhood Renewal Fund Rural Bus Subsidy

HO Regional Director's Allocation Business Crime Reduction Advisor Grant Tackling Violent Crime Programme Neighbourhood Management Pathfinder Neighbourhood Element Cleaner, Safer, Greener Element (liveability funding) **Other funding streams** ASB Action Area Aggregates Levy Sustainability Fund Anti-Social Behaviour Trailblazer	Section 16 Tenant Empowerment Grant Single Community Programme Fund Spearhead Monies Street Scene (Mainstream Budget) Tenant Empowerment Grant Waste Performance and Efficiency Grant
Economic Development and Enterprise	
Local Enterprise Growth Initiative(LEGI)	

Neighbourhood Renewal Fund can now be included in the LAA as a pooled funding stream. It can be used within the four blocks and to tackle cross-cutting issues affecting the most deprived neighbourhoods. Areas in receipt of NRF must include the 6 mandatory neighbourhood renewal outcomes in their LAA.

Sure Start: Guidance on Sure Start will be published shortly

Funds that can be pooled or aligned locally	
Big Lottery Funding Communities for Health PE and School Sportclub Link Sport England/Active England Learning and Skills Council ChangeUp Elements of LSC funding Mainstream Support for Local Transport NHS Funding Capital, highways maintenance and bus support Kickstart/bus challenge projects	Arts Council England Managed Funds English Heritage Historic Areas Grant Renaissance in the Regions (Museums Funding) Pooled Treatment Budget RDA single pot Rural Pathfinders Funding Sources Waste Resource and Action Programme Safety Camera Partnerships

Funding Streams that can not be pooled in an LAA	
Direct Schools' Funding Millennium Volunteers Community Champions Fund School Meals Specific capital funding streams not allocated through the Single Capital Pot e.g. Building Schools for the Future Asylum Seekers Support Grant	Local Network Fund Playing for Success LEA Music Services Police Funding YJB Funding to Youth Offending Teams DWP Benefits Young Peoples Substance Misuse Partnership Grant

ANNEX B - POSSIBLE MODEL FOR A LOCAL AREA AGREEMENT

Scene setting, local context for the LAA

The first section of an LAA gives the local area the opportunity to set out the priorities, both national and local for their agreement. It will need to include details of who is involved in the partnership and set out brief details of how the partnership will operate; it will need to set out what performance monitoring and management arrangements are in place, including details of which partners are responsible for delivering what; it will need to include details of how local people and the VCS are involved in the design and delivery of the LAA; it will need to explain why funding streams are being proposed for inclusion; finally it will need to set out the reasoning behind the requests for freedoms and flexibilities with reference to the F and Fs section of this guidance. Where government funding is targeted at a specific neighbourhood (e.g. NRF and in the SSCF), the funding streams, outcomes, indicators and shared assumptions for that particular neighbourhood will need to be specified. Areas may like to bring this together with their local community strategies and, where relevant, their local Neighbourhood Renewal Strategies.

Template: For each block, Children and Young People, Safer and Stronger Communities, Healthier Communities and Older People and Economic Development and Enterprise the following information must be provided.

BLOCK: Title
Outcomes Proposed: including those chosen for reward
Indicators and targets for each outcome: including those proposed for reward and the proposed level of stretch
Shared Assumption such as passporting of funding to district councils, VCS etc or other special conditions agreed during negotiations
Funding Streams Requested: This will need to include details of allocations to the area for each funding stream by financial year from 2005/06 onwards

Example

Block: Children and Young People			
Outcomes to be delivered across the block			
Indicators associated with each outcome with targets set for each of the three years of the agreement			
Shared Assumption such as passporting of funding to district councils, VCS etc or other special conditions agreed during negotiations			
Funding Streams Requested	Allocation		
	2006/07	2007/08	2008/09
Funding Stream x	£xm	£ym	£zm
Funding Stream y	£xm	£ym	£zm

ANNEX C – FREEDOMS AND FLEXIBILITIES FOR LAAS

CORE LIST OF FREEDOMS AND FLEXIBILITIES THE AREA WILL AUTOMATICALLY GET AS A RESULT OF HAVING AN LAA:

- Ability to pool funds from central government
- Flexibility to carry over a reasonable level of unspent resources from one financial year to another. Any funding rolled over still needs to be spent in support of outcomes included in the Agreement.
- Where areas deliver agreed outcomes more efficiently they can invest any savings in delivering the objectives of the LAA.
- Reduction in the monitoring and reporting requirements.
- 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 forms.

LIST OF FREEDOMS AND FLEXIBILITIES AGREED AS PART OF PILOT

- DTI funds – local responsibility for managing and monitoring in line with Derby City Partnership systems and practices as approved and agreed by East Midlands Development Agency (EMDA) in the annual action and delivery plans, in particular in relation to EMDA and sub-regional strategic partnership. This has been agreed in principle subject to further detail being finalised.

- An increased limit for automatic approval for neighbourhood management pilot projects.

- Freedom to concentrate on hot spot areas of crime and disorder ensuring account is also taken of the needs existing within low crime areas.

- Support of a capacity-building project including secondment of an Audit Commission or other inspectorate performance expert to develop with Dorset a partnership performance management framework and feed in to future inspection practices.

- Invest to Save bid on VCS involvement in health – request to align with LAA approved subject to outcome of bidding round and return of unspent funds.

- Flexible models of delivery of children's centres to reflect the rural context.

- Increased flexibility in use of funds within the health and social care systems in the NHS towards preventative care for older people. Agreed in principle by DH, with details to be worked up by partners by September.

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- Local Planning Authorities & Suffolk CC to work together utilising the new development planning system, with advice from Go-East, to plan positively to meet the need for childcare places in Suffolk.

- Drug Intervention Programme funding included in LAAs, but as this is a new scheme and a government priority, the 2005/06 funding will continue to be ring fenced within the LAA pool, enabling the DIP scheme to be established.

- Freedom, granted on a case by case basis, to extend age range and geographical boundaries of Sure Start local programmes.

- Greater flexibility to determine how to contribute locally to delivery of NHS targets and still be fully accountable.

- Freedoms to use the Local Enhanced Service scheme to pay workers other than GPs to deliver services in primary care for example health visitors or lay workers to deliver smoking cessation.

- Flexibility in arrangements to reimburse fares/costs to enable travel for treatment in community as well as hospital settings.

- Practice based commissioning to be utilised across the health and social care community.

- Pooling of funds to create Local Partnership Teams (SSCF) Agreed with South Yorkshire Police

- Permission to jointly brand the intended local integrated financial assessments and benefits visiting service with The Pension Service.

ANNEX D – LAA OUTCOME FRAMEWORK
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/aims/outcomes

POSSIBLE LAA OUTCOMES	POSSIBLE LAA INDICATORS
Stay safe	- Number of 0-15 year olds killed or injured in road traffic accidents - Number of re-registrations on 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 - Fear of crime and anti-social behaviour
Be Healthy	- Under 18 conception rate - Incidence of obesity among children under 11 - Infant mortality rate - Death rate from suicide and undetermined injury - Access to CAMHS - Average alcohol consumption - Percentage children who are regular smokers - Diagnostic rate of new episodes of STIs among U16 and 16-19 year olds - Percentage children consuming 5 portions of fruit and vegetables a day - Harm caused by illegal drugs - The percentage of 5-16 year olds participating in a minimum of 2 hours each week on PE and school sport, within and outside of school, including developing the quality and quantity of sporting opportunities in school and strong links with sports clubs* - 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 1 hour of moderate

	- intensity sport and physical activity daily each week * - Smoking during pregnancy* - Breastfeeding initiation rates* - Availability of safe play areas and opportunities* - Access to health services for looked after children* - NEET target for teenage parents*
Enjoy and Achieve It should be noted that all of these indicators can be applied to specific groups such as Looked After Children, BMEs etc	- Half days missed through absence - Level of development reached at the end of the foundation stage, including narrowing the gap in the 20% most disadvantaged areas - Percentage of 7 year olds achieving at least level 2 at Key Stage 1 - Percentage of 11 year olds achieving level 4 in English and Maths - Educational achievement of 11 year old looked after children compared to their peers - Percentage of 14 year olds achieving at least level 5 in English, Maths, Science and ICT - Percentage of 16 year olds achieving equivalent of 5 A*-C GCSE - Educational achievement of 16 year old looked after children compared to their peers - Take up of sporting opportunities by 5-16 year olds - Take up of cultural[9] and sporting opportunities among over 16 year olds. - Percentage of young children attaining pre-school standards of competence (Percentage of children achieving point 6 (good) levels of attainment in PSED at the end of the Foundation Stage, and Percentage of children achieving point 6 (good) levels of attainment in CLL at the end of the Foundation Stage)* - Number and quality of educational opportunities for young people delivered by

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[9] Culture includes such activities as arts, sports, libraries, museums, heritage, archaeology, archives, architecture, crafts, children's play, reading, parks, tourism, countryside recreation etc. Other activities such as entertainments, design, fashion, food, media, visiting attractions and other informal leisure pursuits will also be a part of at least some local strategies.

	- arts organisation, architecture and heritage bodies, sports organisations, museums and galleries particularly in deprived areas* - Increased numbers of school visits to historic and cultural sites* - Participation in a broad range of high quality 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 and the Summer Reading Challenge*. - Participation and learning through Education for Sustainable Development* - 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*
Achieve Economic Well-being	- Percentage of 19 year olds achieving level 2+ in NVQ or equivalent - Percentage of 18-30 year olds participating in higher education - Percentage of social housing and vulnerable households in the private sector in a decent condition. - Cleaner, safer, greener public spaces and quality of the built environment in deprived areas - Level of material deprivation and low income - Percentage of children living in low-income households (only measurable down to regional level) - Percentage of children in households with no one in work (only measurable down to regional level) - Percentage of 16-18 year olds not in education, employment or training (**mandatory target where Connexions is included**) - Stock and take up of childcare for all families - Percentage of lone parents in sustainable employment* - 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	➢ Percentage of children in secondary schools participating in a) election of school council members, and b) mock general elections
	➢ Voluntary and community engagement
	➢ Reduce levels of offending
	➢ Crimes brought to justice
	➢ 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
	➢ Percentage of 18-24 year olds who are self-employed, manage own business or have thought seriously about starting their own business
	➢ Develop self confidence and successfully deal with significant life changes and challenges (measure to be identified from Children's Perception Survey)
	➢ Number young people volunteering in culture and sport*
	➢ Youth participation in sustainable development activities*
Neighbourhood Renewal Education Outcome **(Mandatory where areas receive NRF)**	➢ 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 5 or above in each English, maths and science.

* These indicators do not appear in the ECM framework but are illustrative examples of relevant additional indicators local areas have used e.g. in LPSAs.

TABLE 2 - SAFER AND STRONGER COMMUNITIES BLOCK

MANDATORY LAA OUTCOMES	POSSIBLE LAA INDICATORS
To reduce crime, the harm caused by illegal drugs, and to reassure the public, reducing the fear of crime and anti-social behaviour	➢ British Crime Survey comparator crime between 2003/04 and 2007/08. ➢ People's perception of ASB ➢ Drug related aquisitive crime ➢ Proportion of adults saying that they are in fear of being a victim of crime ➢ Proportion of offenders who re-offend within 12 months ➢ Number of young adults dependent on illegal drugs and legal substances, e.g. alcohol / tobacco
To empower local people to have a greater voice and influence over local decision making and the delivery of services	➢ Perception measures including, for example, community cohesion, numbers of neighbourhood bodies etc. This can be discussed during negotiations and additional guidance will be provided. ➢ Proportion of adults who feel able to influence decisions of public bodies locally ➢ Proportion of adults who say that people from different backgrounds get on well in their area ➢ Number of adults undertaking more than the specified amount of formal volunteering
Possible LAA Outcomes	**Possible LAA Indicators**
To have cleaner, greener and safer public spaces **(mandatory where liveability funding and targeted neighbourhood funding is included)**	➢ 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. ➢ Cleanliness of the neighbourhood – proportion of land falling short of a tolerable standard (suggest BVPI 199) ➢ Tonnes of waste disposed of in landfill ➢ Environmental quality (suggest BVPI 199 and 89) ➢ Increasing household recycling: The tonnage of household waste recycled and or composted as measured for BVPI 82a and 82b ➢ Level of noise nuisance in residential neighbourhoods: the response time to all noise complaints; the total number of night time noise complaints; the number of

	repeat complaints about all noise; percentage of 'extent to which noisy neighbours or loud parties represent a problem in the local area'
	➤ Air Quality - local concentrations of specific air pollutants: (where local authorities have declared air quality management areas (AQMAs) in respect of nitrogen dioxide (NO_2) and in some cases PM10, mainly due to road transport.) Definitions could include, for example, reducing concentrations of pollutants, reducing emissions from traffic/industry or other sources, where relevant – although we cannot rule out any other suitable air quality targets/indicators that an authority might suggest. The authority should also propose outcomes with the target, such as reduced pollution, fewer premature deaths or hospital admissions
	➤ Protect and enhance biodiversity - to conserve and enhance wildlife and the rural landscape and promote access and understanding by all[10].
To improve the quality of life for people in the most disadvantaged neighbourhoods and ensure service providers are more responsive to neighbourhood needs and improve their delivery **(Mandatory where targeted neighbourhood funding is included)**	➤ Percentage of residents satisfied with delivery of local services and believing service providers are more responsive to their needs.
To increase domestic fire safety and to reduce arson (**mandatory where Home Fire Risk Check or other specific fire funding is included)**	➤ Measures relating to, for example, accidental domestic fires, deliberate fires, fire injuries. These can be agreed during discussions.
Cultural services, including libraries,	➤ Libraries service standards and impact score, and cultural participation, satisfaction

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[10] The Countryside Agency's "Countryside Quality Indicators" and the England Biodiversity Strategy progress indicators provide strong bases for setting targets. Examples include: condition of listed and other protected buildings; 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.

historic environment and sport, better meet the needs of their communities (especially in disadvantaged areas)	and access indicators
Better life chances for adults of a working age	➢ Income levels (aggregate annual incomes of specified people) ➢ Level of homelessness (number of households accepted under the homelessness legislation/number of households placed in temporary accommodation/aggregate number of days spent in temporary accommodation) ➢ Attainment of qualifications relevant to employment ➢ Increased take-up of adult learning opportunities through public libraries
A better quality of life for all age groups	➢ People living in poor housing (number of people living in private housing that does not meet the 'decent homes' standard). ➢ Percentage of households (including those without access to a car) within 15 and 30 minutes of a major centre by public transport
A reduced cost of conducting everyday life	➢ Time needed to carry out a representative set of everyday activities
Neighbourhood Renewal Outcome on Crime**(Mandatory where areas receive NRF)**	➢ 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.
Neighbourhood Renewal Outcome on Housing**(Mandatory where areas receive NRF)**	➢ 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.
Neighbourhood Renewal Liveability Outcome**(Mandatory where areas receive NRF)**	➢ 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.

TABLE 3 - HEALTHIER COMMUNITIES AND OLDER PEOPLE BLOCK

POSSIBLE LAA OUTCOMES	POSSIBLE LAA INDICATORS
Improved health of the population: increased life expectancy and reduced health inequalities	➢ Mortality rates from cancer, heart disease and stroke and related diseases ➢ Inequalities gap between the fifth of areas with worst health and deprivation indicators and the population as a whole ➢ Health inequalities, as measured by infant mortality, life expectancy at birth and babies born with a low birth rate ➢ Percentage of mothers who are breast feeding at child's 6 – 8 week check ➢ Adult smoking rates. ➢ Incidence of obesity among children under 11 (as part of a strategy to tackle obesity in the population as a whole). *[Also in CYP block]* ➢ Under 18 conception rate (as part of a broad strategy to improve sexual health) *[Also in CYP block]* ➢ Number of people killed or seriously injured in road accidents ➢ Access to (i) crisis services and (ii) child and adolescent mental health 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 ➢ Proportion of older people supported to live in their own home. ➢ Evidence of improved wellbeing of older people (number of elderly people reporting a good quality of life) ➢ Number of schools achieving Healthy Schools Standard. ➢ Suicide rates ➢ Alcohol and drugs consumption. ➢ Income levels – annual average income of specified older people (suggested measures are take up of specified benefits e.g. attendance allowance, Council Tax benefit, Pension Credit, Housing Benefit)
Improved quality of life and independence of all older people.	➢ Prevention services to proactively support older people before the point of crisis

Increase the number of older people who are productively engaged (including those who are hard to reach) in the process of development and design of services that meet their needs and aspirations. Achieve higher employment rates overall and greater flexibility for over 50s in continuing careers, managing any health conditions and combining work with family (and other) commitments. Improve information and advice to change attitudes amongst employees and employers.	➢ Provision of low-level care and support ➢ Transport planning and provision that takes account of needs of older people in availability and accessibility (DfT working on accessibility indicators; increase in public transport patronage acceptable as a proxy) ➢ Take up of Pension Credit ➢ Levels of emergency hospital admissions of people aged 65+ (also, Innovations Forum target on unscheduled bed days 75+) ➢ Number of falls of older people inside and outside the home ➢ Level of physical activity and use of sports facilities, especially by priority groups and older people and in disadvantaged areas (number of adults participating in at least 30 minutes of moderate intensity sport and physical activity on 5 or more days each week on average over a year; or number of adults participating in at least 30 minutes of moderate intensity sport on 3 or more days each week on average over a year - as agreed DCMS/DH/DfES/ODPM/Sport England) ➢ Access to information for older people on what there is locally, how to access it, and how to get involved in planning and decision making, and in the community and community activities more widely. ➢ Evidence that older people's needs and aspirations are included in the Community Plan/Strategy and that services and amenities give particular consideration to older people. ➢ Numbers of older people in hard to reach groups are able to access and participate in community activity. ➢ 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. ➢ Numbers of accidents (other than falls) for example, fires, inside and outside the home. ➢ Number of older people who express a fear of crime (including anti social behaviour). ➢ Number of older people living in decent homes, whether social housing or privately

	owned. ➢ Number of employees over 50. ➢ Number of job opportunities for people over 60/65, supported by appropriate training. ➢ Local food procurement: % of all public sector organisations adhering to healthier nutritional standards ➢ Rights of Way – access to the countryside: to increase visitor access to the countryside (physical activity) and improve rural business competitiveness[11]. ➢ 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.)[12]
Neighbourhood Renewal Outcome on Health**(Mandatory where areas receive NRF)**	➢ 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).

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[11] Indicators by which performance will be measured are: Change in number of users of the strategic footpaths and rights of way; Rateable value added to rating lists due to loss of agricultural exemption on existing property (including property subdivided); Proportion of rural small and medium sized enterprises with significant e-commerce capability; Number of employees of rural small and medium sized enterprises accredited under the Quality Edge Programme.

[12] Definitions could include, for example, reducing concentrations of pollutants, reducing emissions from traffic/industry or other sources, where relevant – although we cannot rule out any other suitable air quality targets/indicators that an authority might suggest. The authority should also propose outcomes with the target, such as reduced pollution, fewer premature deaths or hospital admissions

TABLE 4 ECONOMIC DEVELOPMENT AND ENTERPRISE BLOCK

LAA OUTCOMES	POSSIBLE LAA INDICATORS
Increase economic growth and productivity of locality	➢ GVA per capita (using earnings data as a proxy measure – Labour Force Survey) ➢ Output (using earnings x employment as a proxy measure – Labour Force Survey) ➢ Reduction in score on indices of multiple deprivation (ODPM)
Increase employment and reduce unemployment and inactivity in locality	➢ Employment rate (LFS) ➢ Inactivity rate (LFS) ➢ Unemployment rate (LFS)
Promote growth and sustainability of enterprise and small business	➢ Total Entrepreneurial Activity rate (GEM)VAT RegistrationsNet change in business stock (registrations – deregistrations) (ONS) ➢ Number of new businesses created and demonstrating growth after 12 months ➢ Number of businesses attracted to the area ➢ Number of businesses assisted to improve their performance ➢ Level of reported crime against business
To support the sustainable growth, and reduce the failure, of locally owned businesses	➢ Business failure rates ➢ Insolvency levels ➢ Labour productivity (output per worker)

Increase skill levels of the local population with clear reference to local business need	➢ Number of people assisted in their skills development to include
	   - Number of adults gaining basic skills as part of the Skills for Life Strategy
	   - Number of adults who are supported in achieving at least a full first level 2 qualification or equivalent
	   - Skills levels in particular business sectors

Increase investment and competition	➢ Public and private infrastructure investment levered (£million / % private) ➢ To include: Such 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
Support growth and productivity in	➢ Employment by sector

specific local business sectors of importance (consistent with state aid rules) e.g. retail; business and financial services; manufacturing; tourism, leisure and creative industries	➢ Earnings by sector ➢ Output by sector
Neighbourhood Renewal Outcome on Worklessness**(Mandatory where areas receive NRF)**	➢ 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.
To increase total entrepreneurial activity amongst the local population **(Mandatory where areas receive LEGI support)**	➢ Number of new businesses created and demonstrating growth after 12 months ➢ Total Entrepreneurial Activity rate (Global Entrepreneurship Monitor) ➢ VAT registrations (ONS) ➢ Net change in business stock (registrations – deregistrations) (ONS)
To support the sustainable growth, and reduce the unnecessary failure, of locally-owned business **(Mandatory where areas receive LEGI support)**	➢ Number of businesses assisted to improve their performance ➢ VAT deregistrations (ONS)
To attract appropriate inward investors, making use of local labour resources **(Mandatory where areas receive LEGI support)**	➢ Number of businesses attracted to the area ➢ Employment rate ➢ Unemployment rate ➢ Inactivity rate

TABLE 5 - CROSS CUTTING OUTCOMES

CONTEXT

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

POSSIBLE LAA OUTCOMES	POSSIBLE LAA INDICATORS
Reduction in poverty	➢ Overall employment rate ➢ Employment rates of lone parents, ethnic minorities, people aged 50 and over, those with the lowest qualifications, people with disabilities, and disadvantaged areas ➢ Job Seekers Allowance unemployment rate ➢ 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
Reduction in pensioner poverty	➢ Number of pensioner households in receipt of Pension Credit and/or Council Tax Credit
Safer and healthier working lives	➢ 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
To empower local people to have a greater voice and influence over local decision making and the delivery of services.	➢ Perception measures including, for example, community cohesion, numbers of neighbourhood bodies etc. This can be discussed during negotiations and additional guidance will be provided. ➢ The number of people who feel that they can influence decisions affecting their local area.

	➤ Number of people who feel that their local area is a place where people from different backgrounds can get on well together. ➤ The number of people engaging in (defined) formal volunteering (for a specific period) ➤ The number of people reporting that they have engaged in formal volunteering for an average of at least 2 hours a week over the previous year. ➤ The number of people engaging in (defined) volunteering activity.
Enrich individual lives, strengthen communities and improve places where people live through culture and sport.	➤ Take up of cultural and sporting 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 and socially deprived groups. ➤ Visits by new users to museums, especially from under-represented groups. ➤ Attendance and participation in the arts by under-represented groups. ➤ Rights of Way – access to the countryside: to increase visitor access to the countryside (physical activity) and improve rural business competitiveness[13]. ➤ Maintaining the character and distinctiveness of local communities by reducing the number of listed buildings at risk and effective management of conservation areas (BV219)
Sustainable communities which deliver sustainable development locally through: i) Reducing green house gas emissions and managing impacts of climate change	➤ Domestic energy use ➤ Renewable electricity generated / electricity generation (from renewable and non renewable sources) ➤ Fuel poverty

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[13] Indicators by which performance will be measured are: Change in number of users of the strategic footpaths and rights of way; Rateable value added to rating lists due to loss of agricultural exemption on existing property (including property subdivided); Proportion of rural small and medium sized enterprises with significant e-commerce capability; Number of employees of rural small and medium sized enterprises accredited under the Quality Edge Programme.

ii) Cleaner more efficient production / products and services and shifts in consumer / citizen consumption patterns through choosing lower impact goods and services.	➤ Energy efficiency of housing stock and or operational property. (Often though not exclusively measured by C02 reduction.)[14] ➤ Emissions by sector (domestic, public, transport, industry etc) ➤ Transport – modal split and travel to work modal split ➤ Water quality ➤ Businesses participating in environmental management systems ➤ Businesses participating in corporate social responsibility initiatives ➤ Proportion / value of spend on sustainable procurement ➤ Emission of greenhouse gases ➤ Local Food Procurement: % of food products used within the public sector being locally produced and supplied
iii) Protecting natural resources and enhancing the local environment and the community's enjoyment of it	➤ Priority species status or priority habitat status / condition ➤ Ratio of area of local nature reserve to population ➤ Farming and environmental stewardship (e.g. local participation or coverage of schemes) ➤ Public access to or condition of green spaces ➤ River quality ➤ Emissions of air pollutants ➤ Dwelling density (new housing) ➤ Domestic water use ➤ Rights of Way – access to the countryside: to increase visitor access to the countryside (physical activity) and improve rural business competitiveness[15].

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[14] Measurement of progress can be shown by a number of indictors, such as an increase in the SAP rating, reduced energy consumption (overall kWh or related to floor area kWh/M2), reduced emissions (carbon (C)or carbon dioxide (CO2)), energy performance certificates when these become available after 2006, etc – ideally the objective would be to try and encourage everyone to use the same indicator. It is then much easier to compare the performance of different plans.

[15] Indicators by which performance will be measured are: Change in number of users of the strategic footpaths and rights of way; Rateable value added to rating lists due to loss of agricultural exemption on existing property (including property subdivided); Proportion of rural small and medium sized enterprises with significant e-commerce capability; Number of employees of rural small and medium sized enterprises accredited under the Quality Edge Programme.