

## LOCAL AREA AGREEMENT

**Report By: Director of Corporate and Customer Services**

### Wards Affected

County-wide

### Purpose

1. To consider the current position in relation to the development of a Local Area Agreement (LAA) for Herefordshire.

### Financial Implications

2. There are no immediate financial implications for the Council. In time, the pooling of partnership organisation funding could be very significant, in terms of service delivery and resource allocation.

### Background

3. On the 19th May 2005 Cabinet gave consent for interest to be registered with Government Office for the West Midlands (GOWM) in obtaining an LAA. A Local Area Agreement is an agreement drawn up between the Local Authority and its partners on one hand and central government on the other. The LAA will set out outcome targets and key performance indicators, reflecting local as well as national priorities. It will also incorporate the LPSA2 agreement.
4. A successfully negotiated agreement will mean that certain existing funding streams can be pooled and the local area given discretion as to how to spend the money. LAAs will have to satisfy some national priorities but these would be fewer than is currently the case. There is also scope to negotiate some freedoms and flexibilities for current service delivery arrangements.
5. Herefordshire Council duly registered interest in being one of the second round LAAs. On 22nd June 2005 Herefordshire Council was advised that it had been successful, in securing an LAA, and that Herefordshire was to be one of thirteen areas to have a Single Pot LAA. On the 22nd September 2005 Cabinet approved outline LAA proposals to be submitted to GOWM by 30 September 2005.
6. On the 17<sup>th</sup> November 2005 Cabinet approved our first draft LAA, which was sent to GOWM on the 25th November 2005. A second draft has to be submitted by the 3<sup>rd</sup> February 2006, and the final submission has to be submitted by the 17<sup>th</sup> February 2006. Ministers have to sign off all the second round LAAs by the 24<sup>th</sup> March 2006.
7. The LAA will run for three years, and is based on 4 service blocks. These cover Children & Young People, Healthier Communities & Older People, Safer and & Stronger Communities and Economic Development & Enterprise.
8. For our part, the LAA has to be jointly signed off by the Local Strategic Partnership and Herefordshire Council. The LAA work continues to run in parallel with the review

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Further information on the subject of this report is available from  
Glyn West, Herefordshire Partnership Senior Policy Officer on 01432 261828

of the Herefordshire Plan and is being jointly project managed. The LAA Vision and Outcomes are the same as those proposed for the new Herefordshire Plan.

9. The LAA offers the opportunity to improve collaboration with partnership organisations, leading to improved service delivery, and should mean considerably reduced bureaucracy. The process streamlines reporting arrangements for funding streams, to gain efficiency savings, after the initial time investment.
10. The LAA is, effectively, an Action Plan of the Herefordshire Plan, and will be subject to rigorous performance management arrangements.
11. The LAA Board will be the Herefordshire Partnership Board. Cabinet will oversee the LAA, and Herefordshire Council will be the Accountable Body.
12. We are undertaking an engagement process with stakeholders to secure full support for the LAA. This is particularly challenging for the Voluntary and Community Sector.
13. The draft LAA is being negotiated and revised on a daily basis, and will continue to be amended until the final submission takes place. This means that the document, which will be circulated separately to the Committee, will almost certainly be subject to further amendment, and will look a little different from that to be submitted to GOWM.
14. Negotiations are robust, and in common with other Local Authorities that are negotiating LAAs, we are finding considerable Central Government resistance to our requests for freedoms and flexibilities. The majority of requests nationally have, to date, been turned down. However, these discussions will continue throughout the first year of the LAA.
15. The amount of pooled funding in year one of the LAA will be modest, and work will concentrate on aligning funds of partner organisations. The pooled funding could be much larger in years two and three.
16. LAAs are subject to a six monthly review, and, with the exception of the LPSA2 targets, can be revised. It is possible that over the period of the LAA, we will wish to see changes to such areas as performance indicators, targets and freedoms and flexibilities.

## RECOMMENDATION

**THAT the Local Area Agreement work to date and the proposed submission arrangements for the Agreement be noted, subject to any comments the Committee might wish to make.**

## BACKGROUND PAPERS

- Latest draft LAA (to be forwarded)