

Local Area Agreement

Recommendation

It is recommended that the Bristol Partnership formally sign off the Local Area Agreement (LAA) 2007-10. (www.bristolpartnership.org/laa)

Background and context

1. The Local Area Agreement (LAA) is an agreement between central government, the local strategic partnership and local government. Its purpose is to re-enforce partners working together to deliver locally agreed priorities (as expressed in the Community Strategy). These local priorities are set within the context of national drivers. So, the LAA is a way of balancing national and local priorities. Within Bristol's LAA two key priorities have been identified:

learning and achievement for children and young people and their families

reducing inequalities in health and well-being, with a particular focus on being safe and older people

2. Bristol's LAA is due to start in April 2007. In summary, it is the prioritised actions to deliver Bristol's Community Strategy. It includes indicators and targets for the next 3 years (2007-10) which, apart from reward targets, will be refreshed annually. Negotiations on the agreement have been taking place with the Government Office (GOSW) since last April.
3. The final version of the agreement has been submitted to government and is due to be signed this month (see Bristol Partnership website). It consists of an introduction and two main parts: one focused on the 4 blocks (children and young people, healthier communities and older people, safer and stronger communities, and economic development and enterprise) and the other on 14 reward targets.
4. The proposals contained in the Local Government White Paper 'Strong and Prosperous Communities' strengthens the role and function of the LAA in the future. It is proposed that all LAAs are aligned at April 2008, taking into account the government's Comprehensive Spending Review and that instead of having four

funding streams, aligned to each block, LAAs will have one funding stream that covers all aspects of future agreements. Arising from this, government will introduce a Comprehensive Area Assessment (CAA) which will replace the Comprehensive Performance Assessment (CPA). The difference will be that the CAA will assess how well all public service agencies are working together to deliver local agreed priorities (the LAA). Public service agencies will generally be under a duty to cooperate with the Local Strategic Partnership and the delivery of the LAA.

5. The LAA, therefore, is not a static, one-off document, but one which needs to be refreshed to ensure it continues to focus on what is important for Bristol. From time to time, therefore, the Bristol Partnership will need to consider proposals to 're-fresh' the LAA.

Reward targets

1. The LAA reward targets involve a more complex arrangement than the previous Local Public Service Agreement (LPSA). There are 14 target areas and the potential performance reward grant adds up to £11.7m. Some target areas will attract less than half of a fourteenth, and some more than a fourteenth. Indicators, targets and the related potential performance reward are set out in the agreement.
2. As with the LPSA, some target areas involve more than one indicator. The agreement sets out the weighting of the performance reward grants between indicators. Service Level Agreements are being put in place for each reward target area, both those led by partners and those led by the council. Performance management arrangements are set out in the agreement, including the specific performance management arrangements for the council in its role as the accountable body.

Financial elements of the agreement

1. There are 4 types of funding associated with the agreement:
 - Pooled funding
 - Aligned funding
 - Pump priming grant
 - Performance reward grant.
1. The **pooled funding** currently totalling approximately £13.5m for 2007/08 consists mainly of grants identified by the government to be

automatically pooled and paid to the council through the LAA. Where appropriate some funding (and the obligations which go with it) will be passed on to other organisations. The government has not identified funding beyond the 2007/08 because of the Comprehensive Spending Review due later this year.

2. **Aligned funding** totalling £6.6m for 2007/08 is currently included in the agreement. This is basically a commitment by partners to spending on the LAA targets.
3. A one-off **pump priming grant** of £1.1m will be paid by the government for spend over 3 years on actions relating to the reward targets. It does not have to be paid back if the targets are not met.
4. The **performance reward grant** of up to £11.7m will be payable in the 2 years following the agreement (ie 2010/11 and 2011/12) on the targets that are met. This will be paid as half revenue and half capital grant. The agreement sets out how much performance reward grant is payable on each indicator.

Implementation

13. The main focus now moves to the implementation of the agreement. It is particularly important to ensure that work on the reward targets gets off to an early start and managers have been asked to gear up so that the additional work required to achieve the stretch targets can start from the beginning of April. It is vital that there continues to be a focus on these targets throughout the three years.

Refresh

- 14 The agreement will be 'refreshed' during 2007/08. This will enable the government to include funds for future years, following its Comprehensive Spending Review in the summer. It will also allow the Bristol Partnership and the council to review targets for those future years in the light of the funding available. The only targets which cannot be changed are the reward targets.
15. As outlined earlier, the 2007/08 refresh is also likely to involve the changes to LAAs which the government proposed in the recent White Paper *Strong and Prosperous Communities*.

Other Options Considered

Bristol is in the final tranche of authorities negotiating LAAs and so there has been no option but to negotiate during 2006/07.

Risk Assessment

There are many risks associated with the LAA. These have been listed in previous reports and updated as the development work has progressed. Mitigation measures have been taken to address these issues.

Equalities Impact Assessment

An equalities impact assessment was carried out in relation to the draft agreement as a whole. The results of this were fed back to block leaders who considered how they could be taken on board, not necessarily through the LAA. At a later stage, managers responsible for each indicator were asked to summarise both the impact of the indicator on equalities groups and identify what was being done to address these issues.

Legal and financial implications

The council has advised the Bristol Partnership throughout the development of the LAA re its legal and financial obligations, since the council is the accountable body. Detailed legal and financial comments are contained in the report to Cabinet on 8th March 2007. The council has to formally agree the LAA, along with the Bristol Partnership, since it is the accountable body and this will be done at Full Council on 27th March 2007.

Helen Ball

Lead officer for the LAA on behalf of the Bristol Partnership

helen.ball@bristol.gov.uk

0117-9222894