

KENSINGTON AND CHELSEA PARTNERSHIP

LOCAL AREA AGREEMENTS

26th April 2005

This paper:

Invites the Steering Group to discuss Local Area Agreements and to express any early views on whether the Council and the KCP should seek to negotiate such an Agreement with Government.

FOR DISCUSSION

1. Background

- 1.1 The Borough's first LPSA ends in March 2006. We had been expecting to prepare for and negotiate a second Agreement during this year, to begin in April 2006.
- 1.2 Government has now announced that LPSA negotiations will be postponed and that efforts will be concentrated on the rollout of the new Local Area Agreements (LAAs).
- 1.3 The first 20 such Agreements were negotiated over the winter and signed in March. Two London authorities, Hammersmith and Fulham and Greenwich, were the London pilots. ODPM intends to negotiate a further 40 agreements by April 2006 and in appropriate cases to negotiate joint LAA/LPSA agreements.
- 1.4 Councils and Partnerships have until 20 May to express interest in being included in the next tranche of Agreements.

2. What is a Local Area Agreement?

2.1 Local Area Agreements

- are a single agreement between the government, the local authority and all other delivery partners in an area
- focus on a core set of high level outcomes that are agreed by all as key priorities for an area to achieve
- have outcomes reflecting national priorities, drawn from PSA targets but also local priorities arising from local community strategies
- offer greater flexibility to pool budgets and tackle crosscutting issues;
- are intended to allow central government to give local authorities more flexibility on how the outcomes will be achieved.

- 2.2 The basic premise underpinning LAAs is that the government needs to be more corporate in the way it relates to local authorities and other delivery partners and that the local delivery of public services could be more effectively joined up.
- 2.3 LAAs are built around three blocks: healthier communities and older people; safer and stronger communities; and children and young people. The negotiation of LAAs is to be led by Local Strategic Partnerships. A diagram setting out the framework for these Agreements is attached.
- 2.4 The Safer and Stronger Communities elements of LAAs have already been rolled out across the country -- Kensington and Chelsea's was recently negotiated with GOL through the Crime and Disorder Reduction Partnership and the KCP.
- 2.5 The purported benefits of LAAs are:
- greater clarity about shared priority outcomes across an area for all delivery partners;
 - reduced bureaucracy through the ability to pool funding to create a simplified funding regime and reduce monitoring and reporting
 - better partnership working through pooled funding and buy in from all service deliverers which should strengthen their role and produce an ability to tackle issues in a more crosscutting way; and
 - innovative approaches tailored to local needs and harnessing freedoms and flexibilities.
- 2.6 Government intends to combine LAAs and LPSAs by incorporating a dozen or so "stretch targets" within LAAs. Pump-priming funding would be made available to help achieve these targets, and reward grant would be available at the end of the agreement if the stretch targets were met.
3. What can we learn from the pilots?
- 3.1 Pilot LAA areas report uncomfortable experiences:
- too little time to prepare and negotiate the Agreement;
 - limited awareness among the public sector partners, and therefore limited ability to get involved
 - awareness and capacity problems severely limiting the involvement of the private and voluntary sectors
 - confusion over the ability to pool funds and rationalise funding streams
 - lack of certainty over whether government would deliver the promised freedoms and flexibilities.
- 3.2 Some of these difficulties are familiar to us from the negotiation of LPSA1, and from the recent negotiations over the Safer Surer Community Fund Agreement. To some extent they are an inevitable

overhead cost of entering into complex negotiations with government. The intention to combine two negotiating models – LPSAs and LAAs -- into one process is likely to make the negotiation process even more complex.

4. Should we “bid” for a Local Area Agreement?

- 4.1 A closer analysis of the pilot agreements and a fuller assessment of the costs and benefits that LAAs offer for councils, partnerships and local people is needed before reaching a judgement on this.
- 4.2 On the downside, LAAs involve greater central control than LPSAs, with government keen to see agreements contribute to meeting their various departmental PSA targets. Also, unlike LPSAs, LAAs have performance reporting requirements -- with six monthly progress reports to be submitted to Government Offices. The government promises that other reporting requirements will be relaxed to make way for these, but has not yet taken off any shackles -- saying that “trust” must be allowed to build up first.
- 4.3 On a more positive note, an Agreement could provide a useful focus for partnership activities, and the availability of pump priming grant and reward grant is an obvious incentive. Looked at another way, a combined LAA/LPSA is probably the only way in which the borough can gain access to such grants – it seems very unlikely that we will be allowed to negotiate an old-fashioned LPSA in the future.
- 4.4 The government is selling hard the financial flexibilities associated with LAAs. We need to examine the reality behind the rhetoric to see whether something of genuine value is on offer here.

5. If we did, would we succeed?

- 5.1 GOL expect eight London authorities to be included in the next tranche. It is likely that most if not all boroughs will throw their hats in the ring. GOL say that in selecting councils they will seek to secure a spread of areas that reflect, as far as possible, the diversity of London boroughs. GOL are also keen to use the LAA process to make links to other pilot initiatives that authorities and their partners are currently involved with.
- 5.2 We would need to think carefully about the kind of offer that GOL and government would find attractive. Obvious points in Kensington and Chelsea's favour are: an excellent Council; a well-regarded local strategic partnership; very close working relationships between the Council, the Police and the PCT; strong links to the local community; a new community strategy in production, providing a broader framework for identifying priorities and targets; and the fact that we were scheduled to negotiate LPSA2 in the autumn. If we put our mind to it we could no doubt come up with lots of initiatives that we could link with an Agreement.

6. And if we do succeed?

- 6.1 The pilot LAA authorities have learnt that resourcing the negotiation process is vital to successful progress. It will be important to identify dedicated resources within the Council, the Police and the PCT, including officers who know about finances and grant funding. That will mean pulling officers off other duties.

7. Conclusion

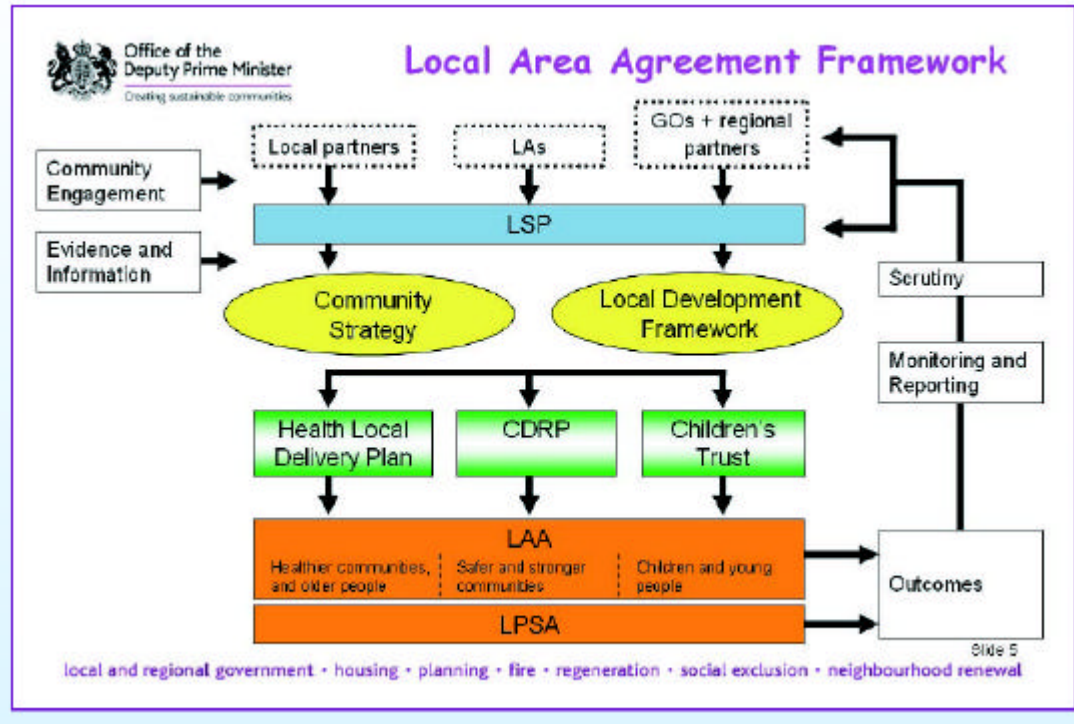
- 7.1 The Steering Group is invited to discuss the information and commentary above and to reach a preliminary view on the attractiveness of bidding to negotiate a Local Area Agreement.

FOR DISCUSSION

Contact Officer:

Tony Redpath
Director of Strategy and Service Improvement
020 7361 3923

Tony.Redpath@rbkc.gov.uk



SCHEMATIC REPRESENTATION OF LOCAL AREA AGREEMENT
FRAMWEORK