

## **KENSINGTON AND CHELSEA PARTNERSHIP STEERING GROUP**

**16 MARCH 2006**

### **LOCAL AREA AGREEMENT UPDATE ON NEGOTIATIONS AND FUNDING FOR DELIVERY**

This paper invites the KCP Steering Group to:

- Note that the Local Area Agreement (LAA) has been subject to further negotiations since the final submission was made to the Government Office for London on 6 February; that as a result the changes listed at annex A have been made; and that additional changes may be required before the LAA is signed.
- Delegate authority to Councillor Cockell to endorse any further changes and sign the final LAA on behalf of the KCP on 23 March.
- Note that the Cabinet of the Council has agreed to provide up to £2.12 million to support delivery of the LAA, subject to scrutiny and approval of the initial allocations. This will supplement the Government Pump-Priming Grant of £924,359 and enable a LAA Delivery Fund totalling up to around £3 million to be established.
- Agree that the KCP Steering Group will manage the LAA Delivery Fund, making adjustments to the initial funding allocations where necessary to maximise the chances of all LAA outcomes being met, subject to the Council's fiduciary duties as the accountable body.

**FOR DECISION**

#### **1. Update on Local Area Agreement negotiations**

1.1 The KCP Steering Group endorsed the final submission of the Local Area Agreement for Kensington and Chelsea, following its circulation to Steering Group members on 8 February. This comprised:

- thirteen voluntary outcomes and associated targets selected for inclusion by the KCP Steering Group, all but one of which will be eligible for Performance Reward Grant if achieved; and
- three mandatory outcomes that the Government requires are included in all LAAs, together with associated targets.

1.2 Since the final LAA was submitted, negotiations have been resumed on the detail of the targets underpinning the LAA outcomes, as a result of

late comments from a number of Government departments. The changes made as a result of these negotiations are listed at annex A, and the current version of the LAA is attached at annex B. Steering Group members will want to note that, although the Government Office for London (GOL) has now recommended that Ministers approve the LAA, it is possible that further changes will be required before it is signed. In addition, although GOL has recommended that Ministers approve all of the outcomes and associated targets in the LAA, two targets (associated with the voluntary outcomes dealing with improvements to street cleanliness to social housing estates) do not have the support of DEFRA, and final approval will be dependent upon discussions at Ministerial level.

- 1.3 The LAA is due to be signed on 23 March. The Steering Group is invited to delegate authority to Councillor Cockell to agree any further changes, and to sign the final LAA on behalf of the Kensington and Chelsea Partnership.

## **2. Establishing a Local Area Agreement Delivery Fund**

- 2.1 Subject to signature of the LAA, the Government will allocate £924,359 of Pump Priming Grant to support delivery of the LAA outcomes that are eligible for Performance Reward Grant. The sums sought by lead partners to deliver each of the voluntary and mandatory outcomes in the LAA, which are subject to scrutiny, total just over £3 million. The difference between the available Pump Priming Grant and funding need could therefore be up to £2.12 million.
- 2.2. The Cabinet of the Council has agreed to supplement the Government Pump-Priming Grant and provide up to £2.12 million over the three years to 2008-09, once the sums sought by lead partners have been scrutinised by officers and the relevant Cabinet Members have approved initial allocations. This funding will be provided from the Council's "Excellence All Round" budget, created from LPSA Performance Reward Grant, subject to receipt of sufficient reward grant for delivery of LPSA targets.
- 2.3 The funding provided by the Council, together with the Government Pump-Priming Grant, will create a LAA Delivery Fund totalling up to around £3 million. The KCP Steering Group is invited to manage the LAA Delivery Fund following the scrutiny and approval of initial allocations, subject to the Council's fiduciary duties as the accountable body.
- 2.4 Managing the LAA Delivery Fund would considerably strengthen the Steering Group's delivery co-ordination role, by enabling it to track spend alongside performance and make adjustments to initial funding allocations where necessary to maximise the chances of all LAA

outcomes being met. To that end, financial and performance reports would be provided to the Steering Group every six months.

- 2.5 Any money left in the LAA Delivery Fund at the end of the LAA period, or in the event of the Partnership dissolving, would return to the Council as the accountable body and primary funder.

### **3. Conclusion**

3.1 The KCP Steering Group is invited to:

- Note that the Local Area Agreement (LAA) has been subject to further negotiations since the final submission was made to the Government Office for London on 6 February; that as a result the changes listed at annex A have been made; and that additional changes may be required before the LAA is signed.
- Delegate authority to Councillor Cockell to endorse any further changes and sign the final LAA on behalf of the KCP on 23 March.
- Note that the Cabinet of the Council has agreed to provide up to £2.12 million to support delivery of the LAA, subject to scrutiny and approval of the initial allocations. This will supplement the Government Pump-Priming Grant of £924,359 and enable a LAA Delivery Fund totalling up to around £3 million to be established.
- Agree that the KCP Steering Group will manage the LAA Delivery Fund, making adjustments to the initial funding allocations where necessary to maximise the chances of all LAA outcomes being met, subject to the Council's fiduciary duties as the accountable body.

**FOR DECISION**

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## Annex A

### KEY CHANGES TO THE LAA

The key changes that have been made to the LAA as a result of further negotiations since the final submission was made to the Government Office for London on 6 February are:

- **Outcome 5 (NEETs):** The enhancement in performance required under indicator i) has increased from 0.5 percentage points to 0.7 percentage points, and progress will now be measured using adjusted rather than actual figures. Indicator iii) has been removed.
- **Outcome 7 (pupil attendance):** The four indicators measuring authorised and unauthorised absence rates have been removed, leaving the two indicators measuring attendance rates, as attendance and absence rates are essentially two sides of the same coin. The targets for the remaining indicators now seek to improve the average annual attendance rate over the three years, rather than the attendance rate in the final year of the LAA.
- **Outcome 8 (child obesity):** The target now specifies the performance expected in 2008-09 by comparison with performance in 2005-06 (the baseline year) rather than by comparison with performance in 2007-08.
- **Outcome 11 (street cleanliness):** The target for indicator ii) now seeks to improve the average annual number of incidents of waste dumping over the three years of the LAA, rather than focussing on the number of incidents of waste dumping that take place in the final year of the LAA. The target that was previously removed at DEFRA's insistence, which seeks to reduce the amount of litter and detritus on the street across the borough and particularly in the northern wards, has been re-inserted. It will not be eligible for Performance Reward Grant (PRG) in its own right, although payment of PRG for the achievement of the target relating to indicator i) will be dependent upon the achievement of this target.
- **Outcome 12 (participation in sport):** The target for indicator i), which seeks to increase the percentage of young people that undertake two hours of physical activity a week, has been increased from 85% to 88%.
- **Outcome 13 (social housing estates):** The target which sought to reduce the average length of time taken to remove abandoned vehicles from estates has been removed.