

KENSINGTON AND CHELSEA PARTNERSHIP

November 14th

DEVELOPING TARGETS FOR A NEW LOCAL AREA AGREEMENT

This paper invites the Steering Group to approve the Community Strategy sub-group's suggested approach to the negotiation of the new LAA.

FOR APPROVAL

1. Background

- 1.1 The Government's recent CSR07 announcements together with some initial guidance released in September detailing how new LAAs will differ from existing LAAs, has helped to form the basis of how the partnership could approach negotiating a new LAA. There is still a lack of clarity regarding complete timetables and details of the negotiation process, although final guidance confirming this is expected within the next month.
- 1.2 In the meantime, the sub-group are proposing some tactics for the Steering Group to consider, ensuring that the KCP is in a strong position to negotiate the new LAA within anticipated timescales.

2. New LAAs

- 2.1 Government released the first part of guidance relating to new LAAs in September this year. The guidance emphasises that the Agreements are an opportunity for local partnerships to determine their local priorities and ambitions, in order to negotiate targets with Government to improve performance in these areas. It stresses that the identification of priorities for inclusion in the agreements will be led by LSPs, rather than by Government.
- 2.2 The recent CSR07 announcement provided some further pieces of the jigsaw including:
 - A new 'Single Set of National Indicators' - 198 performance indicators against which all local authorities will have to measure their performance. LAA targets are expected to be defined using indicators from this set, which is summarized at **Annex A**. The KCP will

therefore be expected to draw on this list to define up to 35 priority (or, in the parlance of the relevant legislation, "designated") performance targets. These must be based on a strategic analysis of service delivery across the partnership, taking into account performance, local and national policy priorities and consultation with local residents and stakeholders.

- A set of 30 national Public Service Agreements. These define Government's priorities and will be cascaded to the various Government departments. Not all of them are relevant to local partnerships. They are reproduced in the left hand column of the spreadsheet at **Annex B**.
- Notification that Performance Reward Grant will be payable for the achievement of new LAA targets. We do not know how much, or how it will be allocated and awarded – details are expected in November
- Notification that there will be no Pump Priming Grant. Stretch performance will need to be achieved without a boost in resources from Government.
- Details of which grants will be merged into the new "Single Area Grant". This single pot will contain more previously-hypothecated funds than hitherto, but the Government is NOT seeking to engineer a specific link between the allocation of this pot and the priorities defined in new LAAs.

3. The position in Kensington and Chelsea

- 3.1. The Steering Group will recall that the current Community Strategy was published in November 2005 and forms the broad statement of ambitions and local priorities for Kensington and Chelsea. The aims and objectives in the strategy were underpinned by comprehensive strategic analysis and consultation similar to that which is now required for the new LAA. A mid-term review is nearing completion, and will produce an updated set of aims and objectives. The KCP undertook to refresh the Community Strategy every 3 years, so the 3rd Community Strategy will be published in November 2008.
- 3.2. Government guidance sees new LAAs as the "delivery vehicle" for community strategies, yet on the current timetable targets for the new LAA will need to be put forward a year before the

next strategy is published. There is a clear clash between the LAA and community strategy timetables.

- 3.3. Furthermore, the existing LAA has been in place since April 2006 and is due to end in March 2009. It sits within the existing Community Strategy and contains specific targets that reflect local priorities and ambitions. Government have stated that they will honor performance reward grant payments for the stretch targets in the existing LAA but until final guidance is released, there is little clarity regarding what will happen once the new LAA is in place. It is likely that we will have two sets of LAA targets running side by side for a year. Some targets are likely to overlap, which will be confusing and make the calculation of reward grant entitlement (under two different systems) complicated.
- 3.4. Finally, it should be noted that around 90 of the 198 indicators in the national set are new. Details on the technicalities of collecting them are promised between November and January. We cannot yet be certain that they will all work as intended. By definition, no reliable baseline data exists for these indicators, so negotiating sensible LAA targets against them will not be possible.
- 3.5. The obvious conclusion is that, for Kensington and Chelsea, it would make far more sense to negotiate the new LAA one year later than the Government is currently proposing.

3. Suggested ways forward

- 3.1 The sub-group met on 30 October and agreed to pursue a three-strand strategy:

Strand 1: - Seek to negotiate a deferral of the new LAA

- 3.2. This would require putting a business case forward to government via GoL, arguing that the LAA timetable should align with local timetables. There are strong strategic and practical arguments for this, some of which draw on the Government's own conception of how new LAAs should work. Government is unlikely to accede to this request for one borough alone, though it may do so if the same problem affects a number of boroughs and we argue the case collectively. Work is in hand to ascertain whether other boroughs are in our position.

Strand 2: - Seek agreement that our “new LAA” should simply comprise targets in our existing LAA “lifted and dropped” into the new LAA framework.

- 3.3. Assuming that Government insists that the borough has a “new” LAA in place next year, the next best course of action is to transfer targets from the existing to the new LAA. These targets would then run until March 2009 (the end of the current LAA period), and a further LAA, with a new set of targets, would be negotiated to take effect from April 2009. These targets would be based on the third community strategy, which would have been published in November 2008. We understand that the current targets for community safety for 2008/09 are likely to be amended, but any such changes could be accommodated within this approach.

Strand 3: Undertake a strategic analysis that enables us to put forward credible LAA targets on the current timetable

- 3.3. As a contingency against Government’s refusal of both approaches in Strands 1 and 2, work has begun to develop a sense of the priorities we would wish to advance for inclusion in an Agreement. This work uses the 30 national PSAs as a framework, since these encompass most of what appears in the existing Community Strategy and what would be important to the KCP (though there are peculiar omissions – none of the PSAs mentions recycling, for instance). With help from officers across the Council and other KCP partners each PSA is being analysed to assess whether
- data shows that the PSA issue is one that needs to be addressed in Kensington and Chelsea
 - PI data tells us something about our current performance in tackling the issue
 - the issue is one to which the lead partner dealing with the issue attaches priority
 - the issue is one to which the public attach priority
 - local partners can influence and improve the issue
 - the new dataset contains indicators that we feel we can use to set targets on the issue
- 3.4. This information is being compiled using the matrix at **Annex B**. The intention would be to use the information it contains to identify (perhaps by way of a scoring system) those policy areas that are

- (a) important issues in the borough which
- (b) lead partners and the public care about and which
- (c) we can influence and
- (d) set sensible targets and measure our progress against.

These would be the areas that we would offer as LAA targets.

- 3.5. Should the Steering Group agree this methodology, officers will continue to populate the matrix with data and (assuming the Government timetable allows this) use it to consult various partnerships and stakeholder forums to arrive at an agreed set of areas on which to set LAA targets.
- 3.6 The intention would be to offer only the necessary minimum number of targets for inclusion in the LAA (i.e. up to 35, with an additional 17 mandatory children and young people's targets). It would be at the Partnership's discretion whether to add further targets to the LAA at a later stage, once the third community strategy has been produced.

4. Conclusion

- 4.1 The Steering Group is invited to discuss the content of the report and comment on the proposed strategy put forward by the sub-group.

FOR APPROVAL

A J REDPATH
Director of Strategy and Service Improvement