
LOCAL AREA AGREEMENTS

Responsible Cabinet Member - Councillor John Williams, Leader

Responsible Director – Paul Wildsmith, Acting Chief Executive

Purpose of Report

1. To seek approval to submit an expression of interest in the latest phase of an ODPM call for pilot Local Area Agreements (LAAs).

Summary

2. Darlington Borough Council submitted an expression of interest for the first round of Pilot Local Area Agreements back in August 2004. Although unsuccessful at that time, feedback received indicated that we were just outside the eventual 21 authorities chosen.
3. ODPM has recently invited expressions of interest for a further forty authorities to run a second phase pilot. A deadline of 20th May 2005 has been set.
4. After reviewing the pros and cons of negotiating a Local Area Agreement for Darlington, officers and key partners feel the merits are beneficial and are keen to proceed.

Information and Analysis

What are Local Area Agreements – The policy

5. 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 agreement will set outcome targets reflecting local as well as national priorities. 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.
6. LAAs are seen as a method of streamlining area based funding initiatives and one means of achieving the Gershon efficiency agenda for civil servants.
7. Stronger central/local government relationships are anticipated, based on an area-based profile, a greater focus on outcomes (like Public Service Agreements), and greater influence and control by regional Government Offices.
8. The new LAAs are in effect a natural extension of current developments nationally and locally i.e. following developments in performance management, local strategic partnerships (LSPs), community strategies and neighbourhood renewal.

What are Local Area Agreements – The process

9. The process starts with an examination of area based funding streams and a review of recent reports on performance etc. made to Government departments. Authorities, together with their LSPs, then suggest ways of streamlining both. Government Offices then negotiate with individual authorities on the outcomes to be achieved, the funding streams to be included and any freedoms and flexibilities sought. Once signed off, ongoing monitoring is against outcomes only.

What are Local Area Agreements – The aims

10. The aims of LAAs are to create a number of opportunities:
 - (a) to streamline funding and reporting;
 - (b) to divert cash to local priorities;
 - (c) to negotiate additional funding for stretched performance (as part of PSA2).
11. The agreement will cover four streams of work or 'blocks'. Authorities can focus on specific areas or cover all four in a 'single pot':
 - (a) safer and stronger communities;
 - (b) children and young people;
 - (c) healthier communities and older people;
 - (d) economic development.

What Local Area Agreements are not

12. Local Area Agreements are not an additional funding stream or 'new pot' of resources. Equally they are not about LSPs becoming 'delivery agents'. Agreements are not restricted to the four silo areas. Innovative and cross cutting proposals are welcomed. Similarly they should not be seen as a stand alone initiative – Local Area Agreements are in fact connected to much of the modernisation agenda - CPA, LSPs, PSA etc.

Developing Darlington's view of LAAs

13. The first 21 pilot authorities were predominantly excellent councils. In the North East these were Gateshead and Stockton. ODPM has invited a further 40 areas to become involved with single pot bids encouraged. Expressions of interest are required by 20th May 2005. The views and involvement of Darlington Partnership as our LSP need to be incorporated in the expression of interest. A paper will therefore be presented at the LSP Board in May for consideration.

Local Area Agreements - implications

14. The process builds on the evolution of LSPs and community strategies, performance management in LSPs, CPA 2005 and strong partnership working. This builds on what we are good at and developing in Darlington.
15. The process streamlines reporting arrangements for funding streams to gain efficiency savings after initial time investment. This is likely to be lower for Darlington as we are not eligible for all area based initiatives.

16. The whole initiative requires rethinking of the governance arrangements of the LSP. Clarity is needed over accountability re funding, and clarity over partners' roles i.e. consultation, brokerage, and challenge over non delivery. To ensure effective arrangements for Darlington we need to consider whether and how the culture of the LSP would change.

LAAs – the pros

17. The following are perceived benefits:
- (a) Seen as applicable to excellent councils and strong LSPs, i.e. reputation benefits for 'Leading Edge'.
 - (b) Strong linkages with CPA 2005.
 - (c) Shows every sign of being rolled out in the future – possibility of being left behind.
 - (d) Principles for one element (safer, stronger communities) are compulsory.
 - (e) How we have developed the Community Strategy, PSA, and performance management in the LSP is fully in line with emerging guidance for LAAs.
 - (f) Some excellent councils are developing their own LAAs through direct contact with government departments – this is likely to get harder to do in future as more official LAAs are in the pipeline.
 - (g) Chance to bring LPSA2 forward i.e. gain funding earlier.
 - (h) Some (though to us small) benefits of streamlining central government requirements to us.

LAAs – the cons

18. The following are perceived disadvantages:
- (a) Will take resource/ time to negotiate;
 - (b) Potentially gives GONE more information (though this is a benefit if managed correctly);
 - (c) Potential to upset the dynamics of the LSP;
 - (d) Some areas/ services may not see choice as a good thing;
 - (e) Myths around what LAAs are and are not.

Conclusion

19. Local Area Agreements offer a chance of taking forward our policy development on a formal footing with Government Office. The benefits to Darlington (outside of reputation) are likely to be lower than in areas that qualify for NRF. Conversely, Darlington is better placed than many areas to make LAAs work. On balance it is proposed that we express an interest. If successful the process needs to be managed effectively to maximise benefits,

minimise disbenefits. If unsuccessful then at least we sought 'modernisation'. To maximise chances of success it is proposed that we apply for 'single pot' status.

Outcome of Consultation

20. This matter has been subject to ongoing informal consultation with the secretariat, chairs and lead officers of Darlington Partnership (LSP) who are supportive of the initiative. Formal consultation is now planned with Darlington Partnership at its May Board Meeting for endorsement to proceed.

Legal Implications

21. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

22. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is considered that the contents of this report will indirectly lead to a positive effect based on the better performance management of relevant community safety elements and integration with the wider planning processes.

Council Policy Framework

23. The issues contained within this report could lead to the production of a Local Area Agreement for Darlington which will have an impact upon the Council's policy framework.

Decision Deadline

24. For the purpose of the 'call-in' procedure this issue represents an urgent matter.

Recommendation

25. It is recommended that Members:
 - (a) support the development of an expression of interest for a Local Area Agreement for Darlington.
 - (b) refer the matter to the May Board meeting of Darlington Partnership for its views and endorsement.

Reasons

26. The recommendations are supported by the following reasons:

- (a) to meet the ODPM deadline of 20th May 2005 for expressions of interest;
- (b) to ensure an inclusive process, with the active involvement of key partners.

Lorraine O'Donnell
Head of Policy

Background Papers ODPM – Local Area Agreements: a prospectus. (July 2004)

John Bosson : Extension 2016
Jb/cp