

---

**LOCAL AREA AGREEMENT REFRESH**

---

**Responsible Cabinet Member – Councillor John Williams, Leader**

**Responsible Director – Ada Burns, Chief Executive**

---

**SUMMARY REPORT**

**Purpose of the Report**

1. To present details of revised targets as part of the first annual refresh of the Darlington Local Area Agreement (LAA) for approval.

**Summary**

2. Full Council considered and approved the Darlington Local Area Agreement on the 6 June 2008, and designated at that time all functions in relation to the LAA to Cabinet.
3. Whilst LAAs are agreements for a three year period it is important that there is a regular (annual) review of both progress towards delivery of the designated targets and also whether the targets are still an appropriate reflection of national and local priorities.
4. A range of performance indicators and targets as agreed in the June 2008 sign off needed to be reviewed. For the majority this relates to the establishment of a baseline position, following the introduction of new performance indicators and surveys. In a limited number of instances however, this reflects the need to revisit certain targets on account of the down turn in the economy and its impact for example on house-building completion rates. Detailed negotiations have been taking place with Government Office North East in order to deliver a first year refresh by the end of March 2009, a Government Office timescale.

**Recommendation**

5. It is recommended that Cabinet:
  - (a) note the rationale for proposed target revisions that are outlined in **Appendix 1**;
  - (b) approve the revised Local Area Agreement targets as attached at **Appendix 2**;
  - (c) delegate authority to the Chief Executive in consultation with the Leader to make any minor target revisions as final negotiations conclude.

**Reasons**

6. The recommendations are supported by the following reasons:
  - (a) to meet the refresh process timetable as agreed with Government Office North East;
  - (b) to comply with the relevant statutory guidance.

**Ada Burns**  
**Chief Executive**

**Background Papers**

CLG/LGA – LAA Annual Review 2008/09 Guidance (September 2008)

John Bosson: Ext 2016

S17 Crime and Disorder	A number of LAA targets have a direct impact upon crime and disorder, anti-social behaviour and youth justice.
Health and Well Being	A number of LAA targets have a direct impact upon the health and well being of the community.
Sustainability	A number of LAA targets have a direct impact upon the sustainability agenda.
Diversity	The proposals arising from this process will be implemented in accordance with our diversity duties and objectives
Wards Affected	The LAA targets and process affect all wards.
Groups Affected	All people are affected by this process equally.
Budget and Policy Framework	The issues contained within this report represent a change in the Council's policy framework with the adoption of revised targets for our Local Area Agreement.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	The delivery of the LAA targets will contribute directly to the implementation of the Sustainable Community Strategy.

## MAIN REPORT

### Information and Analysis

7. The establishment of Local Area Agreements in 2008 was an important milestone in the implementation of the new performance framework for local government. All parts of England now have priorities agreed between central government, councils and partners, which identify the most important challenges faced by their area.
8. LAAs are a joint agreement between Government and local partnerships, based on shared priorities for each local area. The challenges and opportunities that arise during their delivery are shared between both sides and if they are to be successful, LAAs must remain ambitious, realistic, credible and consistent over the period.
9. LAAs are designed to allow for a reasonable level of flexibility whilst binding Government and all local partners to a medium-term set of targets. This balance is a key strength of LAAs above previous performance regimes. It is not the intention that they will be frequently renegotiated as this would not provide the stability required for effective delivery based on clear goals.

### The 2008/09 Refresh Process

10. Negotiations to amend the LAA (this includes any changes to previously agreed targets or the selection of new indicators by exception) will need to be concluded in early March in order to achieve agreement by the start of the new financial year. However, it is anticipated that the majority of targets will not be renegotiated during the lifetime of the LAA unless there are compelling reasons for this.
11. While the refresh element may include some limited revisions where new evidence is available, most changes will be in terms of 'unfinished business' from the negotiations. This unfinished business comprises delayed indicators, revised indicators and targets that are inconsistent with their indicator definition. The aim is that all outstanding targets will be resolved ready for year two of the LAA (from 1 April 2009).

### Approach to the LAA refresh for economy targets

12. The general approach to LAA refresh with regard to economic targets is fully in line with the principles set out in the LAA Annual Review Guidance published September 2008. These principles, which were agreed with the local government sector revolve around:

- (a) Cooperation and collaboration;
- (b) Refine not replace;
- (c) Proportionality (proposals for change must be proportionate and well-evidenced and the counter party must respond in kind).

← - - - Formatted: Bullets and Numbering

13. Where local partnerships request to adjust the levels of LAA targets due to changing economic conditions, these need to be weighed against robust local evidence provided by the local partnership, which demonstrates a severe impact of changing economic conditions on the local economy. Darlington has provided such evidence in support of the refresh to Government Office where appropriate.

## Darlington's Approach

14. Of the 35 national indicators which make up our LAA (shown at **Appendix 1**):

- (a) 14 - remain unchanged (shown with an asterisk at Appendix 1);
- (b) 18 - have been the subject of 'unfinished business' updating (shown underlined at Appendix 1);

Deleted:

15. The process of review and refresh has been an inclusive one with full engagement of the LSP Themed Group Lead Officers, their respective chairs and wider groups. Operational members of staff (accountable officers) were initially consulted over the technicalities of definition changes and to draw upon their practical experience to help set realistic targets. Lead officers have assisted in collating these into themed group areas for challenge with chairs and their business groups, entering into direct negotiation with Government policy leads as appropriate. Full consideration of the matter is due to take place with the LSP Board at its meeting of the 11 March 2009.

16. Darlington like all other areas has seen marked changes in economic conditions since last year when the LAA was initially agreed. On the face of it six key economic indicators included within our LAA warranted an assessment of the ongoing feasibility of the targets set and the merits of refresh. Having undertaken reviews of each, officers believe that actions put in place to mitigate the worst effects of the economic downturn and the benefits of wider programmes such as Darlington Gateway, the Skills Pledge and the Tees Valley Housing Growth Point allow us to retain existing targets for average wages (NI 166), adult skills (NI 164) and numbers of affordable homes provided (NI 155).

17. The Council and its partners remain committed to the principles of the LAA and the stretch targets it contains to make a meaningful difference to outcomes in the community, the more so in difficult times. Despite this commitment, certain factors are beyond the control of the Council and local partners. As a result three indicators have been identified for refresh. The rationale for each is summarised below.

18. **NI 151 – Overall employment rate**

	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
<b>Existing targets</b>	76.1%	76.2%	76.3%
<b>Revised targets</b>	73.5%	73.4%	74.0%

- (a) The overall employment rate in Darlington has fallen from a 2006/07 baseline of 76.8% to 73.9% in the year to end of June 2008;
- (b) Unemployment has risen to 4.2% in December 2008 from lows of 2.8% to 3.0% in December 2005, 2006 and 2007;
- (c) Between September and December 2008 the unemployment claimant count in Darlington rose from 2,037 to 2,559 at the same time the number of unfilled vacancies fell from 452 to 282.

19. **NI 153 – Working age people claiming out of work benefits in the worst performing neighbourhoods**

	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
<b>Existing targets</b>	33.0%	32.8%	32.7%
<b>Revised targets</b>	33.0%	33.4%	33.3%

- (a) The target is area based and relates to 10 Lower Super Output Areas (LSOA) dispersed across 5 wards. The measure is based on time-lagged data;
- (b) The impact of economic downturn (which is hitting these neighbourhoods worst) is 6 - 9 months delayed. Darlington has no discretionary funding targeting these LSOAs (such as Working Neighbourhood Fund). However, measures being put in place by the Learning and Skills Council, Child Poverty Innovation Unit and possible Single Programme funding are being developed to help mitigate against increases;
- (c) Best projections are for slight increase in the short term followed by a decrease to baseline dependent upon bids.

**20. NI 154 – Net additional homes provided**

	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
<b>Existing targets</b>	475	500	550
<b>Revised targets</b>	215	275	300

- (a) A 54% shortfall of estimated net additional dwellings for 2008/09 (219) compared with the LAA target (475) reflects a markedly changed local housing market. Local and regional housebuilders are not forecasting any recovery of housebuilding in 2009/10, and some are cautious about predicting an upturn in 2010/11. In September 2008, several housebuilders felt that the slowdown would last another 18 months to 2 years;
- (b) It is also significant that like much of the north-east, the market for apartments has collapsed. Two specific examples in Darlington in the last year where apartment properties have been put up for rent by developers after failing to sell are the former petrol station, Victoria Road (Mandale Properties) and at West Park (Bussey and Armstrong);
- (c) The collapse of this market means that even if there was activity on the same number of sites as previously, there is likely to be fewer completions, as houses can be completed as ones and twos rather than as a large block as in the case of apartments.

**Conclusions**

- 21. Where local economic circumstances change and where there is uncertainty about future economic conditions, Government's priority for local delivery is that local partnerships respond flexibly to support local communities and businesses. Local partners need to remain focussed on delivery of positive outcomes locally. There is a risk that protracted discussions about the levels of targets at this stage would detract from timely, effective action on the ground.
- 22. In the spirit of this approach the Council and its partners have selected only three indicators (as above) which warrant target revisions as part of the refresh process. The latest position

for all is shown at **Appendix 2** for approval. Shaded indicators are already agreed with GONE, the balance are still the subject of ongoing negotiations and will be finalised by the end of the month.

### **Outcome of consultation**

23. Partners from across the LSP have been consulted over the contents of this report and are supportive of the approach agreed and underway with Government Office North East.