This policy briefing and the event co-hosted with RENEW on 30th March 2006 aims to provide answers to some of the more frequently asked questions around Local Area Agreements and point partners in the direction of further resources.

Frequently Asked Local Area Agreement Questions

CLES Centre for Local Economic Strategies

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Introduction

Established in 1986, the Centre for Local Economic Strategies (CLES) is an independent think-doing organisation involved in regeneration, local economic development and local governance. CLES brings together a network of subscribing organisations, including regeneration partnerships, local authorities, regional bodies, community groups and voluntary organisations. CLES is a charitable organisation and combines an information and briefing service, policy development, events and a consultancy arm. CLES has been involved in a number of research pieces around Local Area Agreements. This paper and the event co-hosted with RENEW on 30th March 2006 aims to provide answers to some of the more frequently asked questions and point partners in the direction of key documents about Local Area Agreements.

Local Area Agreements: Frequently Asked Questions

1. Are Local Area Agreements Important?

Local Area Agreements have been hailed as a new era for the relationship between central and local government. Local Area Agreements, introduced in July 2004, form part of the wider central government modernisation and 'localism' agenda. There has been an emphasis placed on devolving more decision making to the local level in the last few years, first with the development of Local Strategic Partnerships and second with the development of a number of strategic documents around developing a *local:vision*. Local Area Agreements are seen as the logical next step towards the modernisation of local government. They present the opportunity for local authorities and Local Strategic Partnerships to have a greater influence over how local priorities are set, how funding is spent, involve a greater cross section of partners and potentially improve the livelihoods of their authorities residents. Originally to be piloted in 9 areas, the importance of Local Area Agreements has been seen by the initial piloting of 21 agreements, followed by the selection of 66 areas for 2nd round status and the roll out of the process to all unitary authorities by 2007. Local Area Agreements are held in high regard at central government level and are expected to lay the foundations of the Local Government White Paper, which is due in the Summer. Local Area Agreements appear to an essential ingredient to the future commissioning role of Local Strategic Partnerships as set out in the recent consultation paper on their future. The importance of Local Area Agreements has been highlighted in a recent speech by Phil Woolas:

'*your challenge is to build strong relationships with central government, with local partners and with your political leadership. All are vital to the job. The Local Area Agreement agenda recognises the complexity you face and provides a much more mature framework for a dialogue between local and central government through the Government Offices. But more than that, it provides a framework for a dialogue between local partners. This is the only way we can effectively tackle agendas around, for example, problem families and community safety*'
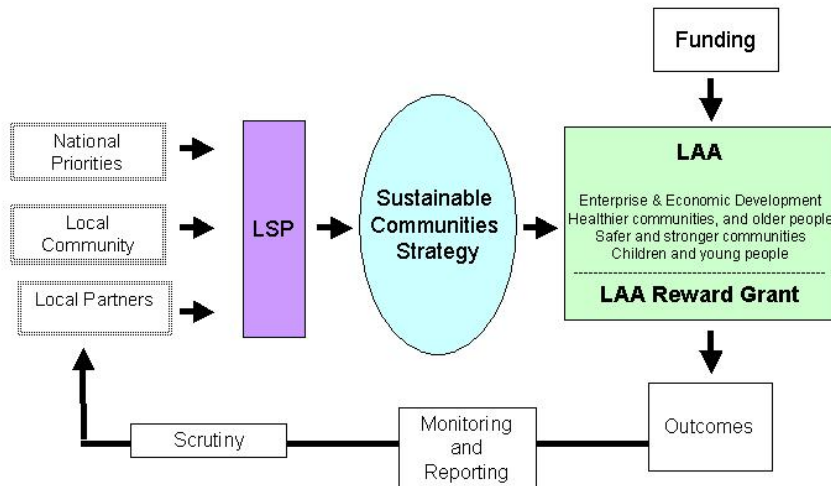
Key Documents: Local Area Agreement Prospectus (1), Local Vision Documents (2), List of LAA Pilot Authorities (3), Local Strategic Partnership Consultation (4)

Keywords: Local Strategic Partnerships, Pilot, Local Government White Paper

2. What was wrong with the community strategy, why have we now got this?

Community Strategies have been developed in all local authorities, but the extent to which they have actually delivered priorities is open to debate. Local Area Agreements are seen as a measure to operationalise existing community strategies and ratchet up the significance of Local Strategic

Partnerships. Whereas Community Strategies have traditionally laid out the priorities for an authority over a period of time, predominantly ten years, Local Area Agreements do far more than thinking about desired outcomes. They lay out the baseline of current performance in the authority, develop indicators on which they would like improved performance, set targets for performance against that indicator for the next three years, and allow funds to be pooled or aligned in order to meet their outcomes. Community Strategies also tended to focus on over ten themes compared to the four of the Local Area Agreements. There is therefore a greater opportunity in Local Area Agreements for joint working across themes and across blocks. This is reflected in the Local Strategic Partnership consultation with proposals for 'Sustainable Community Strategies'. The following diagram sourced from Government Office North West highlights the role of the sustainable community strategy in the Local Area Agreement.

Key Documents: Local Strategic Partnership Evaluation (5), Local Strategic Partnership Consultation (4)
Keywords: Community Strategy, Sustainable Community Strategy, blocks, themes

3. It seems like a lot of hassle…..why should I bother?
The reasons for local authorities, Local Strategic Partnerships, local partners such as PCT's, voluntary and community sector organisations, and local residents becoming involved in Local Area Agreements are highlighted in the national level aims of the policy.
- First, they aim to improve central/local relations – central government have aimed in recent years to devolve power and service delivery more to the local level. Working in negotiation with Government Offices for the Regions, local authorities have the opportunity through Local Area Agreements to move towards this vision.
- Second, they aim to improve service delivery – Local Area Agreements present the opportunity through a focus on local priorities, an opportunity to align service delivery in greater line with the needs and aspirations of local people.
- Third, they aim to improve efficiency – the Gershon review of 2004 and assessments of local authorities through CPA assessments have highlighted the need for greater public sector

efficiency, especially over the spend of funds. Local Area Agreements through promoting voluntary and community sector service delivery, providing the opportunity to pool and align funds and the ability to negotiate freedoms and flexibilities could contribute significantly to improved public sector efficiency.

- Fourth, they aim to improve partnership working – the notion of partnership working has been key to the Government's modernisation agenda, and Local Area Agreements present the opportunity for Local Strategic Partnerships to further develop existing theme groups for the benefit of theme groups and local communities. There is also opportunity for existing partnerships such as Crime and Disorder Reduction Partnerships to become further integrated in local decision making.
- Fifth, they aim to enable local authorities to provide better leadership – Local Area Agreements are particularly important as local authorities strive to improve performance, services delivery and outcomes for local people. The partnership notion of Local Area Agreements should enable local authorities to consult with a wider cross section of partners and deliver outcomes in a more joined up manner

Key Documents: Local Area Agreement Guidance (6), Gershon Review (7)
Keywords: service delivery, efficiency, partnership, outcomes

4. What's the best way for non-local authority partners to get involved in Local Area Agreements?

There is an array of non-local authority partners, which Government Guidance states should become involved in Local Area Agreements. Existing partnership arrangements through Local Strategic Partnerships and their various theme groups present the opportunity for a host of partners to become involved in the decision making process. These partners may be interested in one theme or block of the Local Area Agreement or cross cutting the blocks. These partners need not only be involved in developing the Local Area Agreement but also in the delivery of priorities and outcomes in their specific area of expertise. Local Area Agreements also present these partners with the opportunity to further develop new and enhance existing partnership working. Partners named in guidance and who have had a key input in the pilot Local Area Agreements thus far include:

- Primary Care Trusts;
- Age Concern;
- Police Services;
- Fire and Rescue Services;
- The business sector;
- Groundwork Trusts;
- Connexions;
- Jobcentre Plus;
- Learning and Skills Council;
- Voluntary and Community Sector.

There are also key roles for further more localised forms of governance to be involved in Local Area Agreements. Town and Parish Councils can make a valuable contribution particularly to the setting of local priorities and feeding of local concerns into the Local Area Agreement. Many Local Area Agreement Pilots have started their process by having an open event for all partners showcasing how the Local Agreement is set to work and how partners can be involved in development, delivery and monitoring.

Key Documents: Local Area Agreements Guidance (6), Local Area Agreement Toolkit (8), IDeA Local Area Agreement Routemap (9)

5. Where do transport, housing, environmental, rural, and sport and culture issues fit within the Local Area Agreement?

Local Area Agreement guidance highlights the potential role for outcomes and funds for the above issues in the process. There has been some concern over where these issues fit within the block structure of Local Area Agreements, which has led to some pilots developing specialist blocks, for example Oldham have developed a fifth block around housing. In the second round of Local Area Agreements, a fourth block on economic development and enterprise was included to take account of pilot concerns and the emerging Local Enterprise Growth Initiative.

- Transport – Local transport authorities are currently preparing five year plans (due to be signed off in March 2006). Where mainstream transport capital could have a significant role in delivering the outcomes of the Local Area Agreement it can be included in the Local Area Agreement and reported on through the Local Area Agreement.
- Housing – Guidance stipulates that in major housing growth locations, the delivery of the infrastructure, services and economic strategy to support that growth should underpin outcomes and targets in each of the four Local Area Agreement blocks. In areas of Low Housing Demand, Housing Market Renewal Pathfinders are expected to work with their Local Area Agreement pilots to ensure strategies are mutual.
- Environment – Local Area Agreements present real opportunities to join-up action on the environment with actions to promote the social and economic well-being of local communities. Many outcomes for the environment are related to outcomes in the Safer and Stronger Communities block.
- Rural – Local Area Agreements provide local authorities and Local Strategic Partnerships with good opportunities to deliver the Government's rural policy priorities especially in tackling rural disadvantage and social exclusion. Outcomes should therefore be set reflecting rural as well as urban needs.
- Culture and Sport – Department for Culture, Media and Sport funding and aims fit well with the aims of Local Area Agreements. Not only can culture and sport outcomes contribute to all of the Local Area Agreement blocks, they also contribute to wider social capital and community well-being issues.

Key Documents: Local Area Agreement Guidance (6), Local Enterprise Growth Initiative Consultation (12)
Keywords: Local Enterprise Growth Initiative, Housing Market Renewal

6. What is the role of Government Office?

Government Office for the Regions such as GONW have a two way role to play in Local Area Agreements. First, Local Area Agreement pilots need to negotiate outcomes, indicators, targets, funds, and freedoms and flexibilities with Government Office. Negotiations will surround the contribution of outcomes to both local and regional issues, whilst also considering national priorities. Government Office are also responsible for the performance management and monitoring of the actual agreement. The second role of the Government Office is as a representative of central government and its departments. Government Office is not only there to negotiate local priorities but also national priorities and how they are represented in Local Area Agreements.

Key Documents: Local Area Agreement Guidance (6),
Keywords: Negotiation, outcomes, national priorities

7. How does Neighbourhood Renewal fit in the process?
Local Area Agreements are expected to be a major tool in the delivery of neighbourhood renewal strategies and the spend of Neighbourhood Renewal Funds. Primarily, Local Area Agreement pilots are able to pool Neighbourhood Renewal Funding across any of the blocks of the Local Area Agreement in agreement with Government Office. The six mandatory neighbourhood renewal outcomes relating to, Crime, Education, Health, Housing, Liveability, and Worklessness, must however be included in the Local Area Agreement. Performance monitoring mechanisms for Neighbourhood Renewal Fund can also be changed as a result of freedoms and flexibilities in Local Area Agreements to reduce monitoring and reporting requirements.
Key Documents: Local Area Agreement Guidance (6) Local Area Agreement Toolkit (8)
Keywords: Neighbourhood Renewal, mandatory outcomes, freedoms and flexibilities

8. What are Freedoms and Flexibilities?
An important aspect of Local Area Agreements, but one which should only be considered once agreed outcomes are in place surround freedoms and flexibilities. These are designed to enable local authorities and their partners to improve performance, to improve service delivery and gain enhanced targets and improved outcomes. Local Area Agreement pilots are able to negotiate with Government Office, locally effective freedoms and flexibilities around the following themes set out in Government Guidance. These include:

- The ability to pool funds from central government;
- The flexibility to carry over a reasonable level of unspent resources from one financial year to another;
- A reduction in the monitoring and reporting requirements;
- The freedom to vire some mainstream funding between organisations to meet shared Local Area Agreement outcomes.

In addition to core freedoms and flexibilities as outlined above, local authorities and Local Strategic Partnerships may wish to request more locally flavoured individual freedoms and flexibilities, which are rooted in local factors. In all of these requests, there is a need for them to be supported by a clear business case backed by evidence demonstrating the necessity of the freedom and flexibility, showing how it will lead to changes in working practices and improved service delivery. For a longer commentary on freedoms and flexibilities see the CLES research in your delegate pack.
Key Documents: Freedoms and Flexibilities Negotiated in 1st and 2nd round Local Area Agreements (13), Agreed Enabling Measures (14), Not Agreed Enabling Measures (15)
Keywords: monitoring and reporting, evidence case, working practice, service delivery

9. What is the Reward Element, and how does it work?
Second round Local Area Agreement pilots have been able to select up to 12 outcomes, which they believe they can achieve, stretched performance on over the next three years. These have become known as 'stretch targets', and if these ambitious targets are met the authority will receive reward in the form of resources. Each authority needs to reach agreement with Government Office on the selection of priorities for 'stretch', and the indicators against which progress will be measured. The Reward Element is a key opportunity for Local Area Agreement delivery partners to align their priorities with the 'stretched priorities' in order to potentially receive a percentage of the reward grant if stretched performance is reached. This could be particularly useful for the voluntary and community sector.
Key Documents: Local Area Agreement Guidance (6), Local Area Agreement Toolkit (8)

Keywords: 'stretch targets', reward

10. What is the difference between pooling and aligning?
Government guidance states that three types of funding can be used towards the achievement of outcomes agreed in a Local Area Agreement:
- Area specific funding such as Neighbourhood Renewal Fund;
- Mainstream funding such as Police and PCT;
- Funding such as Big Lottery.

Area specific funding can be pooled and paid to the local authority, as the accountable body, in a single payment. Pooled funding can have benefits in terms of relaxed monitoring requirements. In addition to pooling area-based funds, Local Area Agreement Pilots are also able to align mainstream funding locally in order to contribute to outcomes. Other funding such as Big Lottery and Learning and Skills Council can be pooled locally. A full list of funds that can be pooled or aligned can be found in the Annex of the Local Area Agreement Guidance. Pooling means funds from different sources can be brought together to work towards a common outcome. Aligning places funding, predominantly from mainstream sources into blocks of the Local Area Agreement to support a series of outcomes.
Key Documents: Local Area Agreement Guidance (6)
Keywords: pool, align, area based

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(3) A list of Local Area Agreement authorities can be found at:
http://www.odpm.gov.uk/index.asp?id=1161635

(4) ODPM (2005) *Local Strategic Partnerships: Shaping their future – Consultation Paper*
http://www.odpm.gov.uk/index.asp?id=1162320

(5) ODPM (2006) *Evaluation of Local Strategic Partnerships: Final Report*
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(7) Gershon, Sir Peter (2004) Releasing resources to the front line: Independent Review of Public Sector Efficiency http://www.hm-treasury.gov.uk/media/B2C/11/efficiency_review120704.pdf

(8) ODPM (2005) *The Local Area Agreement Toolkit*
http://www.idea-knowledge.gov.uk/idk/aio/4036841

(9) The IDeA routemap is available at: http://www.idea-knowledge.gov.uk/idk/aio/867178

(10) Local Area Agreement documents for all 21 pilots can be found at: http://www.idea-knowledge.gov.uk/idk/core/page.do?pageId=1174262

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