

**Cabinet Meeting – 12<sup>th</sup> September 2007**

**Report of the Chief Executive**

**Local Area Agreement**

**Purpose of Report**

1. This report outlines the recent developments surrounding the negotiation and implementation of Dudley's Local Area Agreement.

**Background**

2. Members will be aware that the Dudley Borough Local Area Agreement (LAA) came into effect from April 2007. The overall objective of the LAA is intended to deliver better local outcomes through improved co-ordination between central government, local authorities and their partners.
3. The Dudley LAA established some 32 overall outcomes and 47 sub outcomes for the Borough, with a combination of national mandatory targets, as well as more specific local measures. In addition to setting the overall outcomes and target measures, through the agreement, the local partner agencies have identified a series of stretched targets which involve the possibility of receiving Performance Reward Grant at the end of the three year agreement in return for success in reaching demanding performance levels. This is similar to the approach adopted for the first Local Public Service Agreement which concluded in April 2006.
4. In order to ensure that there is clarity at the outset of the principles for the allocation of the Performance Reward Grant, and the initial Pump Priming Grant, the Council and its partners in the Local Strategic Partnership have proposed the following allocation outlined in Appendix 1.
5. However while work on implementing the new Agreement has taken place locally since April, the Government White Paper for local government published in October 2006 signalled a new stage in reforming local services with a revised performance framework. These changes have significant implications for the future of the Dudley LAA. While the detailed guidance surrounding the exact requirements for the new LAA framework is still awaited, the indications are that
  - a. Local Strategic Partnerships will need to agree with Government 35 key outcomes (with 18 additional statutory outcomes for Children and Young People) that will be drawn from an overall set of 200 national measures. Local Partnerships will in addition be able to agree local outcomes over and above the 35, but will not have to report on these back to central Government. These newly agreed outcomes will commence in revised LAA's with effect from April 2008 and supersede existing agreements.

- b. LAAs will be the only place where central government will agree targets with local areas and their partners on outcomes delivered by local government, on its own or in partnership with others.
  - c. LAAs will no longer be about specific funding for specific targets and financial changes coming in will create greater freedoms about how resources are spent more locally.
6. In setting up Dudley's LAA there was an expectation that, in common with round one and two LAA areas, Dudley would undertake a six month review around the existing LAA outcomes. This would have been fully in line with current performance management plans. In light of the revision of LAAs planned for next year however this year's review is as much about informing the process for 2008, as it is about focusing on performance achieved set against the current list of outcomes. There will need to be a further period of negotiation both with local partners, stakeholders and the Government to ensure that any revised outcomes proposed for April 2008 are the right outcomes.
7. As indicated above there is still a lot of detail to be determined following the White Paper and guidance is expected during September. Pending this guidance however, a broad outline of activities with provisional time scales has been agreed with Government Office West Midlands

#### **Provisional outline and timescales**

**September** – Identification of the key improvement priorities for Dudley. This will require full involvement of all themed partnerships, the Council and partner agencies.

**October – November** - Prepare a draft Self assessment, including identification of the risk areas within current outcomes and indications as to how these might be tackled. The risk areas identified are likely to determine the priority improvement areas for the new LAA.

**October - February 2008** – Formal process of negotiation of priorities with GOWM

**February March 2008** – Final draft of new agreement to be submitted, sign off arrangements to be confirmed.

As the proposed draft options are developed this will need to be reported back to Cabinet and considered by the relevant Select Committees.

#### **Finance**

8. **Please see Appendix 1**

#### **Law**

9. Section 2 of the Local Government Act 2000, enables the Council to do any thing which it considers likely to achieve the promotion or improvement of the economic, social or environmental well-being of the borough, or any part of it.

#### **Equality Impact**

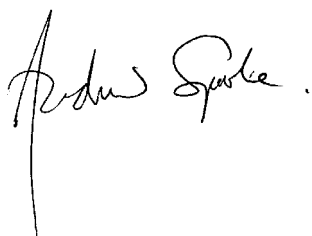
10. The development of the LAA is being undertaken jointly with partners, including representatives of the voluntary and community sector, and children and young

people. The aim is to ensure that we build upon the achievements in community inclusion made in developing the Dudley Borough Challenge. In addition the focus of many outcomes will explicitly address the needs for improved outcomes for communities experiencing disadvantage and discrimination.

### **Recommendation**

11. It is recommended that:-

- The profile of PRG and PPG associated with the current LAA outlined in Appendix 1 is noted.
- The Cabinet consider the need to review the existing LAA in the light of the new national framework for LAA's and the need to report back to future meetings of the Cabinet and Select Committees are revised outcomes are drafted.



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**Chief Executive**

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### **List of Background Papers**

Nil