



Negotiating New Local Area Agreements



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September 2007

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1. Introduction

In January 2007 we set out the Government's strategy for developing the new arrangements for Local Area Agreements (LAAs), which builds on the successful practice developed over the last couple of years. Since January we have held a series of roadshows with stakeholders and worked closely with 17 local partnerships who have had a 'dry run' of the negotiation of priorities for LAAs. As a consequence of this work and discussions with stakeholders about how the new LAAs build on the existing ones, we are issuing guidelines on the new LAA arrangements in two parts.

This first document sets out expectations for the negotiation process and is based on the critical success factors for negotiations which have emerged from work with authorities and partnerships. Whilst detailed arrangements for new LAAs are dependent on the outcome of the Comprehensive Spending Review, we are able to make clear to everyone at local, regional, and central government what to expect of each other. A second document dealing with the detailed technical requirements for new LAAs will be issued following the Comprehensive Spending Review and publication of the new national indicator set.

The document is divided into 3 main sections. The first contains a simple description of new LAAs. The second is a collection of views on the added value of LAAs. The third part comprises a range of stakeholder 'narratives' to help give some real life perspectives on negotiating an LAA. They are written by colleagues from local partnerships, Government Offices and central government departments.

The new LAAs

Partnerships, with the Government Offices and Central Government, have already successfully negotiated LAAs throughout England. While much of the new system requires different approaches and fresh thinking, there is a solid platform of experience on which to build and to make the aims of the Local Government White Paper a reality. We have developed the arrangements for new LAAs in a genuine spirit of co-design with Local Authorities and Partners. This has given a flavour of the opportunities which new LAAs can bring.

LAAs are about improving local services and increasing economic prosperity for local people. They are three-year agreements with priorities agreed between all the main public sector agencies working in the area and with Central Government. It is important that everyone working together to have the right evidence to know what these priorities are. Partners are brought together under the umbrella of the 'Local Strategic Partnership' (LSP), which agrees a Sustainable Community Strategy (SCS) for its area. The SCS is a long term strategy for the local area based on consultation with local people about the sort of place they want the area to be. The LAA is based on the objectives in the Sustainable Community Strategy and the LAA translates these into targets to secure the improvements local people want to see.

New LAAs will include ‘up to 35’ targets which local authorities and their partners negotiate with Central Government drawn from the new national indicator set. There will be around 200 performance indicators in the new national set which will cover the delivery of national outcomes by local government alone or in partnership; but only those indicators selected for the LAA will have targets attached for which Government would expect a quantified and specific level of improvement¹. These indicators will be announced alongside the Comprehensive Spending Review (CSR) and will represent the priorities which Central Government departments have agreed are most important to them. They will replace existing Best Value Performance Indicators (BVPIs) and indicators used to monitor various area-based funding programmes.

In addition to ‘up to 35’ targets, all areas will also agree 17 statutory education and early years targets with Government via the National Strategies (which negotiate the statutory targets on behalf of DCSF). These targets will be drawn from indicators contained in the national indicator set in exactly the same way as the ‘up to 35’, and should not be viewed in isolation. There is a great deal to be gained in considering the ‘up to 35’ and the statutory education and early years targets together, as part of a co-ordinated package.

The LAA targets together with the statutory education and early years targets enable central government departments to deliver on national priorities in a way which ensures these meet the particular needs and concerns of local people. We therefore expect each LAA to be different and encompass the issues which are relevant to the local area. The national indicator set will not be published until October but this should not delay the negotiation of the LAA targets. We have learned from our work with the local authorities and partnerships road testing new arrangements that it is critically important to establish *first* the priorities to be tackled in their area. These can later be underpinned through the appropriate indicators from the national indicator set.

The local authority and its partners have the discretion to set additional targets for inclusion in the LAA. These carry no reporting requirements, other than those established locally. All of the targets (‘up to 35’ targets agreed between Central Government and local authorities and partners, 17 statutory education and early years targets, and any local targets) should be considered as a single suite of targets which drive improvements to local services and the local economy. This will ensure stronger local ownership of the LAA by local partners.

In the past LAAs have been divided into 4 thematic ‘blocks’ to which funding streams were tied. Whilst these 4 themes will remain as a guide to ensure the full range of national priorities are considered in negotiation about which targets to include in the LAA, funding will no longer be restricted within the themes. This will provide local partners with new flexibility over how resources are allocated to best fit with local circumstances. The themes have been slightly amended to include environmental concerns and are now as follows:

- Children & Young People
- Safer & Stronger Communities
- Healthier Communities and Older People
- Economic Development and the Environment

¹ Separate performance frameworks will continue to operate for partners including PCTs, the Police, DWP, and the Youth Justice Board will maintain its performance management (and funding) role in relation to Youth Offending Teams (Yots). However these separate arrangements will, where necessary, be the same as the new national performance framework for the outcomes delivered by the partnership working with local authorities.

Negotiating LAAs

Negotiations start at the local level led by the local authority in its capacity as the community leader with its local democratic mandate. The Local Strategic Partnership will have a central role in convening discussions between local partners and ensuring local priorities have been developed with the involvement of local communities. The first step is to develop ‘the story of the place’ – the distinctive vision and ambition of the area and the evidence base which makes clear why issues are priorities for the locality. A good ‘story’ is one which is credible, gets wide buy-in from stakeholders – including central government departments – and is a strong basis around which to subsequently negotiate targets for inclusion in the LAA.

The Government Office should be involved early in partnership discussions to develop ‘the story of the place’. This is because the GO will be taking account of data from central government departments to help develop a shared evidence base, which will greatly facilitate subsequent negotiations. GOs are drawing on work they have developed jointly with central government departments to have a consistent approach for identifying priorities for places across the country. The aim is to achieve better focussed and co-ordinated Government engagement with places. Government Offices have identified relative priorities for each local area in consultation with Central Government. Whilst not seeking to override local views, these assessments should provide a useful input to identifying priorities for the LAA.

GOs represent Central Government in the regions, and lead negotiations with local authorities and partners in the LAA. The GO representative leading negotiations locally will want to be involved in discussions as early as possible. They need to co-ordinate negotiation of priorities between central government departments and to do this need to understand the rationale for emerging local priorities. The dry run demonstrated that GOs are well placed to respond to cross-cutting approaches to tackling priorities and facilitate discussions involving the interests of several government departments (e.g. economic value of culture, climate change, etc). To do this they will consider the impact of proposed priorities for the LAA on national priorities, and discuss the implications of these with relevant central government departments. Early and open discussion of these issues will help to ensure potential sticking points in negotiations are identified at the outset, and reduce the chance of disagreements at later stages. The GOs will not have done their job properly if departments find they cannot support recommendations.

Reaching an agreement

The Government Office Regional Director is responsible for making a recommendation that Ministers sign up to each individual LAA. On receipt of this recommendation the Secretary of State for Communities and Local Government will consult Cabinet colleagues on whether to agree the proposed targets in the LAA. The Regional Director will therefore want to be satisfied that all negotiating points and disagreements have been satisfactorily resolved before making their recommendation.

GOs will use a variety of means to resolve any sticking points. This could involve meetings with the local authority, relevant partners and particular central government departments to resolve an issue around a particular target. In some cases more intensive case-conferencing with a number of departments may be needed to resolve concerns between them.

What happens next?

Further information about the national indicator set, including any targets which will need to be included in each LAA and detailed arrangements for finance will be covered in the second guidance document due to be published after the Comprehensive Spending Review. You can find further information about these issues in the document *'Developing the future arrangements for LAAs'*, or the *Frequently Asked Questions* both on the LAA part of the Communities and Local Government website.

Further information and guidance on issues such as Sustainable Communities Strategies, the new duties under the Local Government and Public Involvement in Health Bill, finance, and the new Comprehensive Area Assessment (CAA) framework will be included in the publications listed below. For the purposes of this document however references to them are included to give you a steer on what you need to be considering now.

We plan to publish the following (with approximate dates):

- A narrative document setting out the vision and the ambition of the new performance framework – **Sept/Oct**
- An Implementation Plan detailing when you can expect to see various publications in relation to the new performance framework – **Sept/Oct**
- A list of the national indicator set 'headline definitions', as part of CSR07 announcements – **mid/late Oct**
- Phase 2 of the Operational Guidance for LAAs & MAAs – **mid/late Oct**
- A consultation draft of the statutory guidance on Place Shaping – **Nov (Dependent on Royal Assent of the LGPIH Bill)**
- The National Improvement & Efficiency Strategy Framework – **Autumn 2007**
- A consultation document on the new CAA framework (published jointly by the inspectorates) – **Nov 07**
- A consultation document on the technical definitions underpinning the national indicator set – **Nov 07**
- Final Guidance on technical definitions underpinning the national indicator – **Jan/Feb 08**

2. Perspectives from Partners at the Local Level

Elected Member Perspective:

Cllr John Jowers, Cabinet Member for Localism and Legal, Essex County Council

I am willing to hazard a guess that the occasions are rare when a politician leaps out of bed in the morning fired up with enthusiasm for putting the final touches to his or her strategic framework. We can speak the language of stretch targets and strategic partnerships but our mother tongue will always be delivery. All politicians have one thing in common, apart from a rabid love of power, and that is we want to make a difference to the people and communities we represent. We want to make things happen. Now.

How best to do that? To me the answer is simple. Focus on the right priorities and spend efficiently to deliver them. None of that can be done by any single institution operating in isolation. The world is more complicated than that. It is through agreeing collectively what our priorities are for our communities and investing to achieve them that we can make a real difference. And it works. In Essex we have negotiated fourteen priorities supported by £1.6 billion of investment – making a difference to people's lives right now.

As Chair of the Partnership that negotiated the Essex LAA, I am proud of what we have achieved. I am a pragmatist, but the art of the possible also means recognising and seizing opportunities when they come along. The LAA has the potential to fundamentally change the way in which we do business at a local level. The winners will be the citizens and communities we represent.

Police Perspective:

Superintendent Phil Harper, Derbyshire Constabulary

The Local Strategic Partnership (LSP) and Local Area Agreement (LAA) allow Police Forces to be engaged in an evolving dialogue with other key agencies about complex local issues which require comprehensive multi-agency responses.

The Police Force in Derbyshire has found that strong, solid relationships built over a number of years ensure successful partnership working and allow important strategic decisions to be made quickly and effectively. The LAA process has enhanced these relationships by providing focus and guiding organisations towards shared goals.

The partnership structure has brought together district Crime and Reduction Disorder Partnerships (CDRPs) for open, willing discussion with each other about areas of under performance, good practice, trends and problems that they are currently experiencing. The partnership arrangements and focus provided by the LAA allow these issues to be raised centrally and for joint, co-ordinated responses to be formulated.

More specifically, the LAA has enabled the establishment of a team of co-located analysts to construct Strategic Intelligence Assessments (SIA) and a Control Strategy. This team provides a robust, shared understanding of key issues across the county and aids the CDRPs with their efforts in targeted interventions. It has enabled a risk based approach to performance management and effective direction of resources cohesively across partners including the voluntary sector. Indeed its very presence has facilitated the speedy interpretation and implementation of the Crime and Disorder Act Review. It provides confidence that long term and spontaneous activity towards targets and trends can be actioned efficiently and effectively.

Police Forces can feel confident that their priorities (and those of the communities they serve) are also shared by partners and that there is no need to aggressively bid for indicators of their own choice. Overall the LAA is supportive of Police related issues (many of which are cross-cutting) and helps the Force to plan and achieve goals which could not be realised by the organisation alone.

Primary Care Trust (PCT) Perspective:

Mike Attwood/Stephen Jones, Joint Chief Executive, Coventry PCT

We in Coventry PCT see our purpose as improving health and reducing inequalities, joining up services along care pathways and moving services closer to home, making sure that the services we commission and provide are high quality and good value for money. The last two years have been very challenging financially: the PCT recorded deficits and we have focused on the efficiency and productivity agendas to get back into balance, with some tough prioritisation. Within this context, partnership working has been essential to achieving our strategic aims.

Last year we appointed a joint Director of Public Health with Coventry City Council. This arrangement feeds strategic needs assessment and public health challenge into the executives of both organisations, as well as the effective and well-managed Coventry Partnership. Here the LAA has provided added impetus to broaden and strengthen partnership engagement with traditional “health” responsibilities – good examples locally would be city-wide action on smoking cessation and reducing perinatal mortality. It has also helped ensure that we collectively work on the broader determinants of health and well-being. The PCT is actively engaged in, for example, reducing fear of crime and improving community safety in our most deprived neighbourhoods, as well as developing joint commissioning of alcohol services to address both the health of individuals and antisocial behaviour.

Within the health and social care sphere, the LAA has also had an impact, adding spine to our multi-agency initiatives to reduce emergency bed days – vital to improve people’s experience of health care as well as promote financial efficiency. With our partners we are now considering the establishment of a Local Public Services Board as the next stage in strengthening our mutual accountability and delivery of improvement, with an LAA that will focus on issues that are relevant to our agendas and the needs of Coventry people.

Voluntary, Community and Faith Sector Perspective:

Dave Jackson, Director of Sheffield OFFER

My ambition for Voluntary, Community and Faith sector involvement in LAAs is one where our voice is respected and we are able to contribute our experience. In this ideal world, all could see how our voice resulted in changes to how resources are allocated and an improvement in services especially for our most marginalised citizens.

The establishment of Local Strategic Partnerships has provided the formal route for our sector to contribute. The challenge is for all partnerships to ensure they operate successfully so together we design effective new LAAs.

New LAAs provide us with the opportunity to move towards this ambition. However, it is not without challenges. For our sector, much will depend on us building on our ability to network despite our diversity. We increasingly need to empower those from our sector who have the skills to work at a strategic level on behalf of us all. We must steadily grow our levels of trust and accountability.

For national government, this means giving enough freedom to local areas to allow them to determine their own priorities and targets. This ensures there is something worthwhile to engage with. It means ensuring our sector is resourced sufficiently to be able to play its part. For local government and other statutory agencies, we need them to have the courage to become enabling leaders and partners which means separating their duty to ensure activities happen, from the temptation to plan and deliver it by themselves.

I fervently hope our sector will be able to take full advantage of this opportunity to work together to make strong local partnerships a reality so together we agree an effective LAA delivering better outcomes for our citizens.

Fire Service Perspective:

Mark Taylor, Operations Commander City of Coventry, West Midlands Fire Service

I am currently the Chair of the Coventry Community Safety Partnership and the West Midlands Fire Service representative on the Coventry Partnership (Local Strategic Partnership). I was invited by the Coventry Partnership to co-represent Coventry in testing the negotiation process during the dry run. I was more than pleased to accept as I immediately saw the opportunity that this would provide the Fire Service to gain an early understanding of what was likely to be involved as well as being able to influence the development of LAAs from the perspective of local delivery.

Involvement in the dry run has been very beneficial for the Fire Service and has enabled us to do some early thinking about how we as an organisation can make sure we are ready to respond to and work within our Local Strategic Partnership on the development of our Sustainable Community Strategy and our Local Area Agreement.

This will mean that our own priorities are considered alongside those of other key partner agencies and that the Brigade's Plans and Strategies are central to any negotiations that will be had in relation to both improvement targets and local targets. The process has taught me a whole new language of partnership working. Partners should not allow the terminology and acronyms used to put them off from getting involved.

My advice to local partners taking part in the negotiations is to be prepared to negotiate with each other to try and identify commonality of approach to delivering outcomes. By this I mean that there may not be an overt fire target and it may be difficult to see where you actually fit in. However, by focusing on partner-related issues you may resolve both your own and others' targets.

(NB. The Fire and Resilience Directorate at Communities and Local Government, in conjunction with the Fire and Rescue Service, is producing a toolkit which will include a range of approaches to setting targets and measures for the Fire Service to use, if they wish, in negotiating LAAs. This is likely to be published for consultation with the Fire Service at the end of October, with the final version being issued early in 2008.)

Business Sector Perspective:

Dave Roberts, Executive Director of the Community Foundation for Merseyside

Community Foundation for Merseyside is working with local partners to develop what we call “Borough Funds” in each local authority area. We have developed a corporate membership initiative, “In Good Company” to engage with the business sector. Our initiative supports businesses that want to help our community by giving something back to the area in which they operate, the area from which their staff are from and the area where their customers live.

The concept is simple. Firstly, existing funding streams administered by the Community Foundation, the local authority or other LSP partners are aligned under the umbrella of the “Borough Fund”. These are then used as a vehicle to attract new funding streams from the public, private and charitable sectors, to grow the “Borough Fund” year on year. Local voluntary and community sector organisations are invited to apply to the “Borough Fund” for grants.

Apart from the desire to put something back into the community, what motivates the business sector to get involved is the credibility and stability that the LAA brings. Because Community Foundation ensures that each award demonstrably and measurably impacts upon LAA outcomes, it can encourage businesses to contribute to the “Borough Fund”. Businesses can then see the positive impact that its contribution makes to the community

Although at an early stage in its development, the concept is being piloted in the boroughs of Sefton and Knowsley and discussions are taking place with LSPs in the other Merseyside boroughs.

3a. The Local Partnership Perspective

1. Introduction

Although new LAAs are, in many ways, a step change it is important to recognise that they build on existing experience. All areas have extensive experience of partnership working, and have established Local Strategic Partnerships. There are a variety of arrangements for LSPs in two-tier areas, based on local circumstances and experience. LAAs will draw on earlier experience of negotiation of plans and targets, and delivering on them, e.g. Local Public Service Agreements (LPSAs), Sustainable Community Strategies (SCS), sectoral plans such as the Children and Young People's Plan, the Crime and Disorder Reduction Strategy, existing LAAs, and self assessments and inspections. These will provide the starting points for developing the new LAA.

The dry run has confirmed that there are four elements that local partnerships have to get right:

- **Ensuring the involvement of the whole partnership in developing the story of place** with the underpinning evidence and making sure that it is owned by and signed off by the LSP. The involvement of the business and third sectors, and District level partners in two-tier areas should remain central throughout the process. The evidence base needs to be clear about the different purposes of indicators and hence their inclusion, or exclusion, in the 'up to 35'. An LAA based on rigorous analysis of data will provide local partnerships with confidence to prioritise issues and enable them to take bold decisions in shifting resources to need.
- **Using the story of place and local ambitions** to shape the whole Local Area Agreement and to identify within it the 'up to 35' priorities.
- **Involvement of local councillors** in defining the story of place, articulating political ambitions, assessing data, agreeing priorities, leading negotiations, providing scrutiny and accountability. Engaging other local governance structures e.g. PCT Board, is also important.
- **Negotiations – developing a constructive and productive relationship with the Government Office**, and other national public agencies, e.g. the Sports Council.

2. Developing the story of place and the supporting evidence base

The starting point in negotiating the LAA is through the creation of strong partner relationships and alignment of views around the Sustainable Community Strategy (SCS). The SCS provides visions, values and aspirations, and is rooted in the evidence base and analysis that tells the 'story of the place' providing a rationale for the areas 'up to 35' improvement targets. The community and voluntary sector will play a crucial role in providing a baseline of need reflecting very local perspectives, and that include the voice of communities that are traditionally disengaged from mainstream public service delivery and elected structures. The Local Government and Public Involvement in Health Bill requires responsible authorities to have regard to their SCS in the preparation of their LAA.

Strong partnerships will require time and capacity to develop if they are to succeed. Each stakeholder will have their own needs, but in particular it is necessary to recognise that community groups may need physical resources, funding and expertise to effectively represent the voice of communities. Local government & other public service representatives may need a clearer understanding of the way local communities and the VCS operate.

A strong and ambitious Sustainable Community Strategy, based on extensive engagement locally, agreed by the council or councils and the Local Strategic Partnership, is fundamental to the success of LAAs. The SCS sets out where the area has come from, where it is at, and where it wants to be with social, economic and environmental goals incorporated in a joined up way to contribute to sustainable development. It will set out ambition over a much longer timescale than the three year LAA. The Sustainable Community Strategy should interrelate with the spatial planning for the area, set out in the Local Development Framework.

In two-tier areas, the duty in the Local Government Act 2000 to produce a Community Strategy applies to district and county councils. Areas have developed a range of approaches to give expression to this. Although LAAs will be agreed at county level, they should reflect the Community Strategies of districts and counties.

The evidence base will be gathered from a wide range of sources: data gathered by community groups, community consultations, socio-economic, environmental and demographic data, Joint Strategic Needs Assessment, health observatories, local universities, Audit Commission Area Profiles, Inspection and assessment reports, Direction of Travel statements, public opinion and other survey research, other findings from public consultation, citizen panels/surveys, qualitative research, analysis using the [rural/urban definition](#), neighbourhood forums, current LAA performance, assessment of performance on current BVPIs, crime audits, and Children and Young People's Plans. It is essential that local partnerships and GOs establish a shared approach on which to base discussions.

Dry-Run: Derbyshire

The Derbyshire Partnership undertook a piece of work to ensure that the county-wide Sustainable Community Strategy 2006-2009 (SCS) reflected the key issues and priorities of the local district based Community Strategies. As a two tier area this work was seen by the Partnership to be very important in the future development of their LAA, and has enabled partners to develop a better shared understanding of the priorities that need to be addressed in Derbyshire's LAA and how these might be measured. Making sure that partners feel involved needs to be a shared responsibility and takes time, particularly in two tier areas. Early and meaningful engagement was seen as critical in Derbyshire to the credibility of their new LAA.

The Derbyshire Partnership also undertook work to consider the results of the consultation activity that was not available during the SCS development. Of particular importance was consideration of 2006 BVPI General User Satisfaction Survey at county and district level, and results from the Derbyshire Citizen's Panel. Areas of under performance (primarily identified by BVPIs) were also considered along with performance against key LAA and Community Strategy targets.

Derbyshire County Council has developed initial area profiles loosely based on the ten Audit Commission quality of life themes. The profiles bring together over a hundred pieces of information from a range of sources including statistical data, consultation information and where appropriate contextual and performance information in order to provide a more rounded picture of an area. The information available in the profiles has been displayed in a number of ways to provide both 'at a glance' and more detailed analysis of the information.

The initial profiles have been developed based on the community forum area geography. In terms of developing the LAA for 2008 onwards, these profiles will provide an evidence base to inform further discussion on refinement of priorities, indicators and possible targets. The area profiles for Derbyshire can be found at: http://www.derbyshire.gov.uk/community/about_your_county/

Dry Run: Northamptonshire

In Northamptonshire a series of 3 workshops were held during the Dry Run period. This process was used to identify and agree outcomes and priorities for inclusion in the new Sustainable Community Strategy for Northamptonshire and the new LAA. The workshops were deliberately structured around outcomes/priorities from a cross-cutting angle whereby groups were colour coded or numbered rather than "themed". This was felt to have been useful in getting partners to have discussions freely about priorities which would support the "Northamptonshire story" and not get hung-up with prescribed themes, or diverted by the lack of the national indicator set and CSR07 pronouncements on pooled funding.

For use in the workshops they built up a long list of potential priority issues using the existing county wide Community Strategy and the 7 Community Strategies for Borough and District Councils, reviews of performance data and their existing LAA. These issues were grouped around the 10 Audit Commission 'quality of life' themes and collected in one document which became the evidence base upon which discussions would take place in the workshops. At the same time, GO colleagues were building the national perspective on where Northamptonshire was in relation to performance.

Partners were then able to consider the strength and robustness of the evidence base associated with the 'Northamptonshire Story' and looked to identify/plug gaps and update/improve on outcome and performance data.

The evidence base is important as it will underpin the negotiations and justify the inclusion of particular priorities. It is essential, however, that this does not become a purely statistical exercise. Political vision and ambition, information from community engagement and consultation, and anecdotal information are equally important. Local partnerships need to involve the people with the appropriate analytical capabilities to support the development of different types of evidence.

In two-tier areas, District Councils and their elected councillors, their partners and thematic partnerships will have a crucial role in developing the knowledge of their area and setting out local ambitions. There will be additional complexities where organisations have different boundaries to that of the LSP, possibly covering more than one LSP area, or where there are sub-regional and regional organisations to be involved. These can only be resolved within each LSP according to local circumstances.

Local leadership needs to balance the immediate priorities that residents identify, with considerations such as social and economic issues, environmental sustainability, national and even international issues such as tackling climate change.

Some local areas have found a short light touch sustainability appraisal of the LAA to be a great help in achieving this balanced approach.

Areas will also take into account the needs of the range of disadvantaged groups in the area and where appropriate equalities impact assessments can be used, along with all other tools available to ensure that the LAA meets local needs.

Dry Run: Stockton

By aligning the Dry-Run Exercise with a process of community engagement on priorities that were already planned for the review of their Sustainable Community Strategy, Stockton were able to secure very wide involvement in identifying and agreeing priorities. (This included the LSP Board and all thematic partnerships; the Community Empowerment Network of voluntary and community sector organisations and specific consultation with the Disability Advisory Forum and the BME Network).

Stockton developed a consultation document setting out proposed priority themes and specific ambitions for the borough, based on the local evidence base and new national regional priorities. Key evidence sources included a borough-wide resident's survey conducted in Autumn 2006; performance on best value performance indicators; the results of an LSP consultation event on priorities including over 80 local stakeholders held in January 2007, who reviewed improvement priorities for the borough.

The consultation document on priorities was then tested by Government Office who conducted an internal round table meeting to feed back on local priorities identified. It has also been tested through extensive local community engagement. Presentations and discussion on draft priorities are taking place at all thematic and area partnerships and within the community empowerment network.

The initial priority framework agreed was then used within separate internal Government Office and internal LSP lead officer round table meetings to develop initial proposals for performance indicators for a Stockton LAA. A common set of indicators were then agreed through two joint LSP lead officer and Government Office meetings. Stockton have developed two indicator sets: an initial set of performance indicators for a Stockton LAA, plus a set of longer-term Quality of Life measures. This dual approach has been adopted because it was felt that LAA measures must be directly influence-able in the medium term by policy interventions, but there are a series of longer term measures which are important to track in quality of life terms.

In authorities with Multi-Area Agreements (MAAs) partners will need to consider which of their priorities are best dealt with at local level, and which are best dealt with by working in partnership across LAA boundaries. MAAs should only look to cover policies where working across boundaries would add value to what could be achieved locally. There will be more clarity on MAAs provided in later guidance.

3. Using the story of place and local ambitions to shape the whole Local Area Agreement and to identify within it the up to 35 priorities

Building and agreeing a strong, evidence-based story of place is an essential foundation from which to identify the outcomes that partners wish to include in the Local Area Agreement. At this stage it may well be best to focus on the key topics/issues and associated outcomes. Areas will have their own approaches to how best to do this. Examples include:

Dry Run:

Oldham's Approach

Oldham developed a hierarchy of indicators which they felt would enable the Partnership to focus on achieving strategic improvements and shaping of Oldham. These were as follows:

- Tier 1 – Limited number (35 + 17) of indicators and targets where performance can be improved and which are designed to help place shape Oldham and share as national priorities
- Tier 2 – Additional number of local indicators where performance can be improved and which will make significant contribution to the achievement of LAA outcomes
- Tier 3 – Additional indicators used to performance monitor and/or programme manage and/or milestone transformational process change within the LAA.

Sheffield's approach

Sheffield LSP has used four criteria to test the inclusion of an indicator in the new LAA. To be considered a priority, an issue will have to meet at least one of the following:

- Local people see the issue as a priority
- The City Strategy deems the issue vital to the future progress of the city
- The improvement of the service is a priority
- Central Government sees the issue as a priority for Sheffield

Other issues to consider include focusing on outcomes that require partnership attention to deliver ambitious step change and which promote preventative approaches. Targets will need to take forward ambitious visions for the future as well as tackling weaker areas of service performance. Clearly, some issues to be included in LAAs will require a longer time frame than 3 years to address, and setting targets should be flexible enough to take this into account. Building on the shared place data set local partnerships should present how groups of outcomes & performance indicators connect with each other, e.g. truancy and offending so that in telling the story of place GOs and central government can understand the relationship (cause/effect) between indicators & targets. This should be taken into account in the GO recommendation to central government.

This grouping of outcomes/performance indicators can then be linked to a picture of what a 'sustainable, cohesive community' looks like for the area ensuring a coherent, cross cutting set of indicators that are related to place, rather than 35 silos.

Having agreed the local outcomes that will shape the LAA, local partnerships will then identify the most appropriate indicators from the national indicator set when it is published and supplement with local ones where the set does not cover a local priority. Therefore local areas should not be constrained by the national indicator set. Once the appropriate indicators are agreed, the final stage in the process will be to negotiate appropriate targets. A likely timescale for this process is for areas to be negotiating with GOs on priority outcomes by November so that the appropriate indicators can be agreed in January when the technical guidance is published. This would allow the negotiation on the targets to be achieved for each indicator to be signed off by spring/early summer.

When selecting indicators, local partnerships and GOs will need to ensure that they will be able to be well tracked at local level so that emerging performance can be clearly communicated to partners and local citizens. There must be reliable base levels that can be used to track progress.

4. Involving local councillors in the LAA and other governance structures

The role of the democratically elected council (or councils in two tier areas) is fundamental to the legitimacy and success of the LAA. The engagement of all councillors in their LSP and LAA needs to be better developed, as this has not always been strong in the past. The LAA should not become a technical exercise that excludes local politicians. The roles of all local councillors are vital to agreeing the story of place, identifying and agreeing priorities, contributing to the evidence base, providing leadership, holding partners and the LAA to account and scrutinising:

- All councillors are involved in providing knowledge of local areas to inform and feed into the development of the SCS and LAA;
- Councillors will often lead neighbourhood and area forums and other forms of community engagement which will feed into defining LAA priorities
- As democratic leaders, councillors will articulate ambitions and priorities from different political perspectives;
- Councillors, and in particular Leaders and Cabinet Members provide democratic leadership to LSPs and thematic partnerships, and have a critical role in agreeing priorities and ensuring they are delivered;
- The wider council and, in particular, scrutiny have a role to hold partnerships to account and scrutinise the achievement of outcomes.

Careful attention needs to be given to ensuring councillors' roles within partnership structures. If done properly, it becomes clear that rather than losing power, it is an opportunity to work with and influence others towards achieving political ambitions and priorities and also holding partnerships, including their own council, to account for their progress in achieving outcomes.

Kirklees – Involving Councillors in the LSP and LAA

In Kirklees, the LSP has been restructured to deliver better LAA outcomes through joining up strategic deliberations with co-ordination of resources and shared responsibility for delivery.

The opportunity was taken to build in both the democratic leadership of councillors and the role of the council's Overview and Scrutiny function.

The Council Leader chairs the Kirklees Partnership Board and the Partnership Executive. The four thematic partnership boards, which are part of the overall LSP structure have places for 2 cabinet members with the relevant portfolios and 2 other councillors to represent the wider Council. In each case partners have elected a cabinet member to chair the thematic partnership.

The terms of reference for each of the thematic partnership boards also recognise and build in the role of Overview and Scrutiny to hold the partnership to account. The relevant scrutiny panel receives the papers for the thematic partnership meetings and the scrutiny panel chair is regularly briefed in advance on future issues to be addressed. Scrutiny Councillors focus on holding partners to account for achieving outcomes.

Councillors have been involved in different ways in the LAA process. Political groups were briefed early and encouraged to debate and identify the priorities that they wanted in the LAA. It was a regular item on the informal meetings of cabinet which enabled the cabinet members to take informed views into the partnership meetings. When the first proposals for the LAA emerged they were tested out and challenged in the scrutiny panels. Councillors are fully involved in the implementation, review and challenge via partnership boards and the scrutiny challenge.

Although the council has an important democratic role it is important also to remember the governance structures of partner organisations. It is equally important that the LAA is owned and agreed to by the PCT Board, Police Authority structures, and others.

5. Negotiations – developing a constructive and productive relationship with Government Offices

The Dry Run showed that a clear process needs to be defined locally, before negotiations begin, which is understood by all partners. Local partnerships will have established arrangements on which to build in setting out how they will establish and implement the new type of LAA. Experience suggests the need for a process map setting out the key milestones, timescales and governance structures, clarifying what needs to be decided, when, by whom/what level, how and what support is needed. Local partnerships should agree this process well in advance of negotiations so that all partners feel they have sufficient opportunity to influence and to avoid this becoming an issue during or after negotiations.

Local partnerships should agree who within the partnership will prepare, agree and lead negotiations and agree the language and narrative to be used during negotiation.

The local partnership and GO will need to agree mechanisms for resolving conflict prior to negotiations. Local partnerships and the GO could make use of case conferences, which bring together key stakeholders for discussions, to explore and resolve any areas of disagreement.

The negotiations should explore the interdependency between outcomes by working through the evidence of cause and effect relationships in order to produce an LAA that is cross cutting and supports the areas vision of a sustainable community.

If data shows that a policy theme is already performing strongly, the GOs should not presume the LAA should have a target unless it is something that the local partnership wishes to include in its local priorities as a key part of delivering the vision of place.

Localities should be able to expect the following from their GOs:

- GOs should provide the same relationship managers throughout the development of the story of place and the negotiation process.
- The GO relationship manager should be present at the local partnership table to ensure they develop a deep understanding of place, not as an observer, but as a key partner working with the partnership to deliver its vision.
- The process must be transparent with elected members, the local partnership and GOs sharing assumptions, evidence and respective stories of place; it must be characterised by no surprises and by building relationships throughout the process.
- GOs will need to ensure that central government has a holistic view of the place – understands local vision and is committed to help deliver it – and balance competing priorities of central government departments.
- Recognition that GOs are expected to be both a ‘critical friend’ offering constructive challenge and support to local partnerships and to central government departments – pushing hard when appropriate.

3b. The Government Office (GO) Perspective

Introduction

As “Whitehall in the Regions” the Government Offices represent directly 11 Government Departments, in addition to involving all aspects of Government policy in negotiating LAAs, joining-up and aligning Departmental policies and programmes to ensure coherence in delivery.

After three LAA rounds and the recent dry run for new LAAs, the GOs have developed significant expertise on getting the best results from the current and new LAA processes. These happen when outcomes for local people are at the heart of the negotiation, where citizens themselves are engaged in service transformation, and where the Departmental theme experts situated in GOs can explain to their Whitehall Departments the improved delivery of national outcomes which releasing local creativity can bring.

It is all too easy for negotiation to be seen as a technical, numbers game, revolving around seemingly endless debates about the last percentage points of a target. But where LAAs have made a real difference, they have been about creativity and collaboration – about new ways of partnership working that respond to what citizens and communities are saying.

No two LAAs are exactly alike but from their experience in negotiating the current LAAs, GOs have shown that they can ensure consistent quality in terms of national priorities, without losing the distinctively local flavour that make Local Area Agreements local.

As the dry run has confirmed, there are four things that GOs have to get right:

- **Gathering and reading the evidence.** This is about getting a rounded locality story using the most appropriate intelligence. It is therefore about sharing timely, quality assured and mutually accessible data and intelligence. It is also about making good use of real time data.
- **Challenging and Stretching ambition.** The “up to 35” targets within an LAA will, perhaps inevitably, have a focus on strengthening performance in those areas needing to do better. But they may also be things that a locality does well – and wants to do even better. These can of course be reflected in any additional local targets.
- **Developing and managing relationships.** This is about the way GOs handle their unique position as the connector between local and central. It is also, critically, about ensuring all key partners feel included in telling the story of an area, including regional networks such as BME and voluntary sector. In many places and for many issues, GOs will be the only way in which Departments are involved in the identification of shared national and local priorities. In other places GOs may also call directly on Departmental expertise to help crack particularly difficult problems.
- **Reaching agreement.** It is unrealistic to imagine that the GOs will always agree with Whitehall colleagues on priorities – and it is just as unlikely that local partners will always agree with each other, and with the GO. In a truly effective negotiation, space to disagree – to have mature, passionate debates about what really matters – is crucial. Indeed, these debates are certain to lead to the most creative, problem solving outcomes. Nevertheless appropriate mechanisms for resolving conflict, will need to be agreed between the GO and central departments on the one hand, and the GO and local partnerships on the other as part of the opening of negotiations.

Gathering and reading the evidence

The analytical capability of the GOs has improved significantly over the first three LAA rounds, but there is always more to be done. Although some of these sources will change key data on which GOs have drawn include:

- The Home Office's IQuanta information
- Department for Children Schools and Families (DCSF) information of the type currently being collected under Joint Area Reviews (JARs) and Area Performance Assessment (APA) information
- Neighbourhood Statistics
- Regional Health Observatory reports and area profiles
- Audit Commission Area Profiles and Quality of Life Indicators
- Assessments and Inspection reports made by Audit Commission and local services inspectorates
- Existing Sustainable Community Strategies and other partnership strategies
- Local partners' self-assessments and performance reporting
- GOs' own experience and exposure to partnership capacity and strengths
- Local transport plans and associated data

It goes without saying that the timeliness of data is vital. Partners may well hold more up to date information than the GO, especially at a neighbourhood or Super Output Area (SOA) level. One of the key lessons from the dry run has been to work, wherever possible, with a shared data set. Nothing causes more frustration than conversations about "rival" data: the most effective negotiations have been those where all parts of the negotiation family are looking at the same core material.

Government Office for the South West (GOSW) Children and Learners Briefing Packs

These were produced by GOSW for Locality Managers with two aims:

1. To give locality managers a pack containing as much initial information as they might need about the Children and Learners agenda and their particular locality, alongside information about how we work and how we could help and support them in their new role.
2. To help manage requests to the Children and Learners Directorate (CLD) for information from locality managers and to avoid duplication of effort or missed deadlines for essential information. Requests were being sent to colleagues whose role takes them away from the office for days at a time and information was being requested about the CLD agenda without an understanding of when data etc is released or updated. In essence we wanted to be helpful, supportive and to provide an excellent customer service to GOSW colleagues.

The CLD briefing pack contains key contact details, a summary of key CLD priorities for each place, key data sets, the latest Ofsted Annual Performance Assessment (APA) brief, details of where to find critical strategy documents, a summary outlining our agreed approach to working with our LAs (engagement plan), key dates – meetings and statistical releases, – a summary of our business plan, details about the team and a glossary of terms.

Each pack was produced with a specific place in mind and was given to the relevant Locality Manager accompanied by a letter outlining that outside of the dates in the pack we would only report by exception and a questionnaire asking for feedback on the pack. Feedback has been very positive to date.

To come to a rounded view LSPs and GOs should include a full range of evidence including trends and trajectories, and performance as snapshots. An area may be making exceptional progress from a low baseline and may conclude this target is not a priority, since it is under control. There will be other targets where performance has plateaued or is slipping. Partners may decide that a focus on these in the LAA will provide better outcomes for citizens.

There is something as important as performance data, however, and that is the overall narrative or “story” of a locality. This is important in providing context to data. Partners, and GOs, need to be asking “What kind of place is this? What kind of place do we want it to be? Are we pushing the LAA hard enough to get there?” The vision set out in the Sustainable Community Strategy is crucial here as a way of reading that story. It also, of course, plays a major part in identifying which are *the* top priorities for the LAA.

What should be clear from all of this is that the information out of which LAAs will be shaped is a mix of “soft” intelligence, and hard data. There are also conversations to be had about causation and sequencing. For example, while all the data may point up homelessness as a key issue, investigation may reveal that tackling repeat offending is a “first order” priority. The physical regeneration of an area may be hard to achieve without first having a real focus on drug treatment. Similarly, worklessness in a particular deprived ward may only (or may best be) addressed through looking at transport accessibility. This “testing” of priorities will be a major and a complex task that can be done in a number of ways.

Dry Run: Royal Borough of Windsor and Maidenhead

When refining the view of potential priorities and indicators internally for mock negotiations Government Office for the South East developed the following 'criteria for selection' when considering the suitability of each for inclusion:

- Link clearly to the Sustainable Community Strategy
- Bring about an improvement in the quality of life for local people
- The delivery and or benefit involve more than one partner
- Offer synergy and linkages across the four themes
- Offer value for money
- Would pose a significant risk if not included
- Be locally distinctive
- Be supported by robust data sets
- Be addressed at the appropriate spatial level

Government Office for the North West (GONW): Toolkits

GONW has produced a toolkit for all its LAA teams. Among other things, it provides a list of key tools available to inform and support the development of LAAs. This includes Area Profiles, GIS Data Mapping and Online Data sources.

GOL, working with Capital Ambition, has developed a 'place shaper' toolkit for LAAs and CAA in London. It suggests a two part data set for each London borough, with the first part describing "readiness for place shaping" and the second part presenting an analysis of key attributes of place, and the borough's role within the capital.

Stretching ambition

LAAs will have a strong focus where performance needs to be improved. Central government teams in their identification of which priorities matter for which places will, inevitably, be guided by their own performance data. But a key GO task will be to challenge partners to be **ambitious** – to build on what they currently do well and want to do better. Questions the GO must ask include "is this LAA as good – as transformational – as it could be?", and "Will it make a real difference?"

With the broadening of the LAA, and its enhanced role as **the** place where central government can have a relationship with local government, there are opportunities to explore the inclusion of new themes. Many of these – climate change, responding to an ageing society, affordable housing – pick up on some of the most important and complex issues of the 21st century. The GOs do not have all the answers – but neither does central government. So much of the negotiating process will be about "co-designing" good and meaningful targets and delivery approaches, particularly in relation to the difficult "cross-cutting issues" where central Government itself faces challenges in arriving at "joined-up solutions". As many of these complex problems require engagement and changed behaviour from citizens, it is often at the local level that innovative responses can be developed. These different local strategies will contribute to wider learning of 'what works'.

Dry Run: Sheffield

Sheffield included 'Reducing alcohol related harm' as a cross-cutting issue in their LAA – it shows how working towards one priority will help them meet a number of others. In particular it relates to health, crime and anti social behaviour:

Reducing alcohol related harm will contribute to:

- Reduction in numbers of people admitted to hospital with primary or secondary diagnosis of selected alcohol related conditions
- Reduction in levels of alcohol related crime
- Reduction in levels of criminal damage
- Reduction in alcohol related accidents
- Reduction in levels of domestic violence

Some priorities may also be best dealt with by collaboration across LAA boundaries. Whilst the partnership required for a Multi Area Agreement may take time to build, GOs should be encouraging LAA partners to build links with their neighbouring authorities and to explore issues where joint-working could produce improved outcomes.

In the new LAAs, GOs will be drawing on additional external expert advice and guidance from central, regional, local and Third Sector sources to bring fresh thinking to these debates.

Local priorities will not be seen as “second order” by GOs. Not only will local targets be profoundly important to citizens; they will also complete the locality story. A truly effective negotiation process is one which has looked at all priorities in the round, including the statutory DCSF ones.

Developing and managing relationships

After three LAA rounds, all GOs have put in place well thought-through project planning arrangements. But these are no substitute for the development of rich and strong relationships both with localities, and with central departments. Effective negotiation can be supported by the GOs utilising their most credible ambassadors (irrespective of grade), and giving them the skills and confidence to thrive in situations where personal impact is key.

GOs have learned that the negotiation process depends on human connection, and not the exchange of paper. GOs know that interactions with partnerships work best where they can provide a relationship or “locality” manager who is fully integrated into the local partnership and who, over time, has come to understand the story of their specific area, including the issues which are priorities for Whitehall. It is not a job that can be done from behind a desk or through consulting a rulebook. Nor is it one-dimensional: although the outward facing negotiating team may be small, it will be supported in ways that are both broad and deep and that draw on the full resources of the GO and its sponsor departments.

GO-East LAA Programme Management

There are 10 top tier areas within the East of England and a predominantly two tier structure.

The GO is organised on a functional rather than a geographical basis, but with the increasing focus on locality, cross office Place Groups have been established and meet on a regular basis. These are chaired by Assistant Deputy Regional Directors. These groups will co-ordinate a wide range of GO activity, including the LAA.

The Regional Director and the Deputy Regional Directors will be taking a more prominent role in the next round of LAA negotiations, engaging with areas to agree the overall ambition of the LAA, identifying the challenges in delivery and ensuring adequate Whitehall engagement.

A senior LAA Project Group, which meets on a monthly basis, oversees the delivery of LAAs. The day to day co-ordination of individual LAAs and the overall programme management of the approach within the GO is handled by the Places, Partnerships and Performance division of GO-East and the five Locality Managers within it.

Each Locality Manager chairs regular meetings of theme leads at regular intervals both before and during the negotiations. The Deputy Regional Director within this division ensures that LAAs retain a high profile at Board level and will act as the final arbiter in respect to any GO disputes. Theme leads have been identified from across the GO and Regional Public Health group and these will be responsible for taking the lead on negotiating the detail of their particular theme with local partners and establishing effective links with the appropriate central government departments.

Much of the negotiating skill will depend on the extent to which GOs can balance central and local interests. Across Whitehall, for example, policy teams are identifying which places matter most in terms of delivery of particular agendas and targets. These are being shared with GOs – who have a strong handle in any case on departmental priorities for places – and will be played into the negotiation mix.

Openness and wide communication at all stages will be vital to creating understanding of how the government's priorities and local ambitions can be developed together.

The web of relationships GOs need to manage is complex. Often, partners such as the Third Sector will see the GO as an “honest broker”, whose job is to ensure all partners' voices are heard and represented in the priorities put forward by areas – including by working with the Commission for Equalities and Human Rights teams located in GOs, to test the evidence that LAAs have fully embedded equalities issues. There is also a new and crucial regional dimension. Quite apart from the role that each regional Improvement and Efficiency Partnership may play, the sum of the LAAs in a region – this time, much more than previously – will matter to Police Forces, the Strategic Health Authority, the Regional Development Agency, Regional Community & Voluntary Sector and BME networks, Job Centre Plus, the Environment Agency, the Passenger Transport Executive. As LAAs will now cover the whole sweep of outcomes, they start to count dramatically towards the regional delivery of regional priorities set out in Regional Economic Strategies. In addition, local authorities will need to influence the procurement and delivery of some services (e.g. business support) by regional bodies where it is considered inefficient or inappropriate for these services to be delivered on a purely local basis.

The GO, working with local partnerships, will need to take account of the fact that Local Strategic Partnerships include representation of different sectors – councils, other public services, businesses, the community and voluntary sector. These are very different types of organisation. Not all representatives are full time service managers, but will include councillors and community representatives who take part in the partnership in addition to other commitments, including employment. In planning engagement with partnerships, issues such as timetabling, and the need for clear jargon free communication, will need to take into account the nature of local partnerships.

Involving Regional Development Agencies

The involvement of regional development agencies in LAAs (and where they exist multi-area agreements) will help ensure sustainable economic development issues is given appropriate weight and treatment. The economic development and environment theme includes major place-shaping issues that have a fundamental influence on localities. Building on the approach taken for the negotiation of “Fourth Blocks” in current LAAs, GOYH has agreed with Yorkshire Forward a common approach to developing the economic script for negotiations, based upon the principles:

- Consistency with the Regional Economic Strategy
- Evidence, analysis, realism, consistency & uniqueness
- Grounding in the sub-regional Strategic Economic Assessment
- Clarity about Single Pot
- Consistency with the Business Simplification Programme

When local partnerships prioritise economic issues, RDAs will need to make a strong contribution. LSPs will want to engage with the RDA to ensure that there is consistency between what is included in the LAA (and MAA where applicable) and existing Regional Spatial and Economic Strategies and ultimately the Integrated Regional Strategies.

Westminster

Peter Rogers, the Chief Executive of Westminster, is chairing a group under the regional improvement banner which is aiming to challenge local partnerships to deliver ambitious, stretching LAAs, and which has buy-in across the whole range of relevant organisations including the London Skills Council and Greater London Authority. This is supported by the Regional Improvement and Efficiency Partnership, Capital Ambition Board and provides a model on which other GOs might reflect.

Reaching agreement

GOs and their partners are not waiting for the publication of the national indicator set alongside the CSR to start the negotiation process. Indeed, the dry run has suggested that to have done so would have stifled creativity and diluted the local flavour of an LAA for that place – it has proved of much more benefit to start with the story and from that tease out the most appropriate locally distinctive themes and priorities, before considering the indicators that might best support the delivery of these. In most areas, there is on-going, intensive and creative work happening now to identify priorities. GOs are using their relationships with central departments to test emerging thinking. They are asking policy colleagues “Is this place a priority for delivering your policy agenda?” “Are there other ways in which your objectives might be delivered than through the up to 35?” This takes the debate, usefully, into delivery: a department might wish to see participation in sport as a priority: partners and the GO might identify childhood obesity as the real issue – but focus on physical activity as a way of doing something about it.

At the end of the negotiating process, GO Regional Directors will submit recommendations to CLG. In the previous three rounds, submissions have focused on whether an LAA was “fit for purpose” – so whether it met the published guidance in terms of inclusion of mandatory elements. For new LAAs, Regional Directors are more likely to be commenting on the overall “shape” of the LAA; the impact it is likely to have, and the extent to which the selection of priorities has been based on a meaningful interpretation of the evidence and the story of the place. In reaching their conclusions, Regional Directors will draw on the knowledge and experience of their Deputy Regional Directors who have policy lead roles in the GO on behalf of Departments, as well as the views of specific Departmental representatives who have been involved in negotiations with a particular place.

Experience to date shows that partners will want and expect consistency from across the network of Government Offices. They will be drawing on a number of techniques and lessons learned from previous rounds and from the dry run. Common benchmarks include:

- Ensuring senior departmental facing staff in GOs ‘sign off’ indicators and targets having confirmed these with their Whitehall contacts
- Using standard formats for Regional Directors’ submissions.
- Building on the moderation approach used across the GOs for 3rd round LAAs to provide reassurances about consistency.
- Designing case conference approaches within the GO and across the wider LAA system to introduce challenge.

GOs will have agreed mechanisms for resolving conflict prior to negotiations. Local partnerships and the GO could make use of case conferencing to explore and resolve any areas of disagreement.

Government Office for Yorkshire & Humber (GOYH): Case Conferencing

Since the first round of LAAs, GOYH has held a “case conference” towards the end of the process. This exposes the emerging LAA to the scrutiny and challenge of GO policy teams representing departments, the Audit Commission, and the wider GO family including police, Strategic Health Authority, Regional Development Agency and Job Centre Plus. The objectives of the case conference have been:

- To ensure there is consistency in the identification of priorities and setting of targets.
- To reassure departmental colleagues that key agendas are being delivered.
- To provide the Regional Director with confirmation that key risks are being managed and mitigated.

Conclusion

Even if GOs get all these things right, there is one more – profoundly important – issue. And that is about keeping it real. There will need to be a focus on communicating the benefits of what can be a significant investment of partner time and energy in ways that make sense to the wider community and especially elected members and local people.

3c. Central Government Perspective

Introduction

The Local Government White Paper *Strong and Prosperous Communities* sets out Central Government's vision and commitment behind the new LAA Framework that will be in place from 2008. Changes brought about by the LGPIH Bill mean that new ways of working are being developed for LAAs, building on the skills and expertise already in existence. central departments recognise that, compared to the first three rounds of LAAs, these commitments will require some significant changes in the way that the GOs and local areas are supported through the process, how national priorities are balanced against local ones and about how the sign-off process is operated.

Central Government ambitions for LAAs

Strong and Prosperous Communities places LAAs at the centre of the relationship between Central and Local Government. This means that LAAs are the main vehicle by which Central Government will agree performance targets for local authorities.

As the Dry Run confirmed, there are three ambitions which Central Government is pursuing through LAAs:

- (i) That LAAs act as a mechanism to deliver shared priorities which support both national policy and locally determined priorities (Since local performance indicators directly support national Public Service Agreements and Departmental Strategic Objectives.)
- (ii) Local partnerships are empowered to take responsibility for identifying the means by which local priorities are tackled, and for being accountable to local communities.
- (iii) Stakeholders at every tier of the process can contribute in a challenging, constructive and meaningful way to promote and embed effective local partnership arrangements. Also the facilitation of constructive relationships between local and regional bodies to secure mutually advantageous outcomes, with the local authority acting as local convenor of this process given its wider place shaping role.

What Central Government will do to realise these ambitions and support the overall system

- (i) *Ensure that LAAs develop a set of priorities which represent the shared interests of both national and local tiers.*

LAAs are intended to enable local partners to focus on the priorities that matter most to their local area. Local partners are themselves best placed to know what local people want and to engage them in local planning. 'New' LAA targets must also be embedded in a strategic, outcome focussed vision, expressed through the Sustainable Community Strategy, which delivers genuinely better outcomes for the community.

Central departments see the LAA as a delivery mechanism for the Local Strategic Partnership's Sustainable Community Strategy (SCS)². The SCS provides the local area's 'story', and should therefore articulate the longer term ambition, evidence and rationale behind the focus of an LAA.

The national indicator set that will be published later this year represent what is most important to Central Government, as developed from national Public Service Agreements (PSAs) and Departmental Strategic Objectives (DSOs). PSAs and DSOs articulate the Government's strategic priorities for the next three years and therefore are a key focus for improvement. They, like the SCS for local areas, form the basis for the rationale behind Central Government's priorities.

In addition to developing the national indicator set, Central Government is also taking steps to rationalise and improve data collection and management. This will make it easier to build and access the evidence base which will be necessary to support the choice of priorities. These steps include:

- Developing a more efficient approach to the reporting and exchange of indicator data, including developing the COUNT principle – 'Collect Once, Use Numerous Times' – so that authorities need only report information for the use of Central and Local Government, and the inspectorates. As well as reducing the reporting burden on authorities, this approach will also enable partnerships and GOs to monitor ongoing performance, to assist management and communication to partners and citizens.
- Developing guidance on best practice on data quality, data sharing, reporting to citizens and other data issues.
- Working with the Better Regulation Executive (BRE) and other partners to develop a programme of reduction in data collections from local authorities, beyond the reduction in indicators to around 200.
- In addition, to assist in assembling evidence to support negotiations, the Government will publish in one place the currently available indicators, including time series, as soon as possible after CSR (where such data exists). They will also produce guidance on developing a common evidence base, which will set out expectations for use of both 'hard' data and 'soft' knowledge and the importance of a 'relationship-centric' approach.

The development of an LAA as a shared set of priorities by local partners and Central Government will be vital to the success of LAA negotiations. Central Government will be reliant on local partners to deliver these priorities and 'new' LAAs will become the key delivery mechanism. Central departments therefore have a responsibility to clearly set out the rationale behind each of the published PSAs. To make the negotiation as effective as possible, the rationale for PSAs will be set out in PSA Delivery Agreements that will be published alongside the CSR07, and articulated further in Departments' ongoing discussions with Government Offices about their priorities for place.

² Although the LAA will also take into account other influences as part of the negotiation process.

Department for Environment Food and Rural Affairs (Defra)'s approach

Defra is working with Government Offices on a two stage process in each region to identify the Defra priorities in each place. GOs are preparing a short summary and qualitative assessment of any environmental issues which should be considered in negotiating each LAA. GOs will identify where there are opportunities for synergy and collaborative working or where there are gaps in delivery that they wish to discuss further with Defra and partnerships. A longer term aspiration is to identify those places where the delivery of the Defra agenda can have the greatest impact.

(ii) Allowing GOs to fully lead the negotiation process.

GOs are Central Government in the regions. They have put in place thorough project planning arrangements but more importantly they are well placed to build on existing work and develop rich, sustainable and challenging relationships with local partnerships. Consequently, GOs must lead the LAA negotiations on behalf of central departments to secure successful LAAs.

GOs are also well advanced in 'joining up' across Central Government as a result of the different departmental agendas present in their teams. Their greater focus on places rather than single policy areas allows a more cross cutting, strategic view of the priorities an area should be tackling. It will be essential for each GO to sustain and enhance its relationship with key regional and local partners who can support the negotiation and delivery of each LAA.

It is neither desirable nor possible for central departments in Whitehall to be involved in direct negotiation of all LAAs – most are represented at senior level in each Government Office and this should be the main means by which the departmental view is expressed. Central departments should work on the basis that GOs' have the knowledge of central priorities and the local area to ensure each LAA is tailored to reflect the best balance of improvement targets. However, there are specific ways in which departments may need to support this process:

- providing advice about the national perspective on specific issues to help the GOs to develop their approach towards negotiation in places across their region. This might include identifying information sources or providing analysis to be used in assessing priorities for local areas.
- work with GOs in establishing which local areas are likely to be most critical to the successful delivery of national priorities, and which present a risk to national priorities if they do not address a particular policy priority.
- coming together to provide advice where complex policy is being discussed. Central departments will be relying on GOs to highlight such issues as soon as possible in the negotiation process.
- working with their agencies to ensure that those bodies are sufficiently well aware of and engaged in the LAA process. Central departments relate to GOs slightly differently with varying degrees of departmental business being filtered through other regional mechanisms (e.g. Regional Development Agencies for Department for Business, Enterprise and Regulatory Reform).

It is important to emphasise that the relationship between the GOs and central departments is essential to making that framework effective. In some cases, central departments are also well placed to advise GOs on appropriately challenging target levels for specific areas/ indicators. In the longer-term performance assessment of LAAs, GOs will have an important role in supporting local areas' performance and feeding in to the Comprehensive Area Assessment.

Expert advice on LAA process where requested

The 'dry-run' process identified that there might be situations where GOs either needed greater engagement with overall policy direction, or with resolving complex policy issues (like climate change) central government departments will contribute to a pool of experts from across Whitehall, regional groups and the voluntary sector to assist with such areas where GOs request the support. This expert advice would offer support in a variety of ways — particularly from September onwards — from helping to develop a coherent set of priorities which meet both national and local ambitions, to helping to ensure that targets are properly ambitious.

(iii) Accepting that core departmental business can be delivered through actions by other government departments.

A significant number of LAA improvement targets are likely to be cross cutting and address a range of relevant issues. Central Government have similarly adopted a joined up approach in developing and agreeing the new national PSAs which will therefore offer more cross-cutting priorities. PSA Delivery Agreements will make very clear the contributions being made.

This approach is also reflected in the alignment of existing performance frameworks for local authorities and their partners when working alone or in partnership. For example, the NHS outcomes framework for 2008 will share the very same indicators, which will allow LSPs to focus on shared priorities and indicators for health and adult social care across their communities.

Central departments will work together throughout the LAA process to ensure that a national cross-cutting view is taken about the development and performance of each of the LAAs, recognising that taking a silo based departmental view will not be the best way to secure sustainable improvements.

Lessons from 'Coventry Case Conference' and Central Government approach to developing PSA agreements

During the 'dry-run' process, Whitehall Departments took part in Coventry City Council's 'case conference' approach to agreeing LAA priorities. The local partnership wanted to bring together representatives from the range of Departments which had an interest in the priorities which they had developed to address the needs of a large city. This sort of approach may be relevant in some of the most complex cases and where new Public Service Agreements depend on action by a range of Departments.

(iv) Supporting the tackling of issues through local targets outside of the 'up to 35' + 17 statutory DCSF targets.

Local targets, which are also part of the LAA, carry equal weight for local partners as do the other LAA targets. Central departments will be interested in the local targets to help contextualise the LAA as a whole, although they will have no part in their negotiation or monitoring.

(v) LAAs should be developed and agreed in the context of wider partnership and planning obligations.

Existing legislation and the LGPIH Bill contain provisions which will place obligations on local authorities and their partners that promote partnership working and help ensure that local priorities are tackled in a coherent way. For example:

- a. The LGPIH Bill will provide a statutory foundation for LAAs, linking them explicitly to the Sustainable Community Strategy and will require that all the key local public agencies co-operate to agree their targets and take account of them in the exercise of their functions.
- b. The LGPIH Bill will also provide that each Primary Care Trust and Local Authority will carry out a joint strategic needs assessment to inform the choice of the priorities they wish their LAA to focus on.
- c. The LGPIH Bill will bring in a duty to involve local citizens much more fully in local decision-making and service design.
- d. Crime and Disorder Reduction Partnership (CDRP) reforms introduced in Police and Justice Act 2006 which, for example, enable greater local accountability for community safety issues through local authority Overview and Scrutiny.
- e. The Children Act 2004 requires local authorities (unless exempted), in close cooperation with their partners in the Children's Trust, to produce and publish a strategic overarching Children and Young People's Plan to deliver improved outcomes for children, young people and their families in the local area.

The existing partnerships should be fully established as part of the local arrangements for identifying priorities and managing the LAA over the longer term.

(vi) Valuing the 'story' as well as the data.

Local partners can significantly influence the perceptions of central departments by demonstrating how new LAAs can improve outcomes. Providing robust data and information sources as evidence will help to demonstrate that the priorities which central departments are accountable for are being addressed. The overall 'story' of a locality is equally important and Central Government will expect the local area's Sustainable Community Strategy to provide a main 'narrative' which set out the 'local story'. It is vital that the story itself demonstrates how it has been developed by a thorough and active engagement of the community. More generally central departments and their ministers will view the local story as an essential part of the evidence of delivery/performance.

(vii) Support local authorities as lead partner

Local authorities have a particularly important role in providing strategic leadership that brings together local agencies to build a vision for their communities. This will be supported by the new forthcoming duty to co-operate to agree LAA targets which will be placed on local authorities and their key public sector partners.

For many central departments, local authorities are not their only or most significant local delivery stakeholder – e.g., Home Office/Police and Police Authorities. The Department of Health for example, is working to support all commissioners of health and adult social care to establish shared outcomes from 2008/09. Therefore, it is critical that local partners and local authorities ensure they all participate in the negotiation and delivery of the LAA. To do this LSPs should build on existing local partnership arrangements and include themed partnerships, such as the Children’s Trust or CDRP.

The place shaping role also actively encourages participation from the third sector to ensure that LAAs are more effective and that a partnership approach is clearly embedded in the way they are agreed and delivered. Central Government will support local authorities in meeting their obligations to coordinate and support this broad based partnership approach.

(viii) Sign-off process & supporting Ministers

Reducing central controls has not reduced the need for clear accountability. Ministers are still accountable to electors for policy and finance and officials still accountable to ministers for many areas of local delivery (whilst local government remains accountable through councillors to the local electorate). A consequence of the move toward increased un-ringfenced pooled funding is that central departments cannot set conditions directing authorities how to utilise individual funding streams. They will however retain responsibility for ensuring that the outcomes the funding was awarded to support are achieved.

The Government side of the negotiating process needs to be confident that LAAs will sufficiently deliver against national priorities in order to advise Ministers to sign – which reinforces the need for a collaborative approach between GOs and Whitehall. In the same way that a GO will not have done its job if Departments cannot support recommendations; Departments will not have done theirs if they provide late ‘surprises’ to a Government Office.

This document has been co-drafted together with the following organisations and departments:

Kirklees Council

Suffolk County Council

Dry Run Areas

The Local Government Association

The Government Office for Yorkshire and the Humber

The Government Office Network

The Department of Health

The Home Office

The IDeA

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