

Report to the Finance & Performance Management Cabinet Committee



**Epping Forest
District Council**

Date of meeting: 18 June 2007.

Subject: Local Area Agreement for Essex.

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Committee Secretary: Gary Woodhall (01992 - 564470).

Recommendations/Decisions Required:

- (1) That the Sub Committee note the Performance Reward Grant received to date and consider the current position with regard to the Essex Local Area Agreement; and**
- (2) That the Council considers ways of becoming more actively involved in the future, given the likely requirements of the new Comprehensive Area Assessment and the Government's stated long-term commitment to Local Area Agreements and possible financial advantages.**

Background:

1. Local Area Agreements (LAA), a development of the former Public Service Agreements (PSA) are a Central Government initiative, first introduced by way of a number of Pilot Schemes in 2004. They are intended to promote joint working and secure improvements in the delivery of a number of aspects of Local Authority Service. The second phase announced in June 2005, included the County of Essex.

2. It is clear that the Government is committed over time, to ensure that all Local Authorities participate in the LAA process. Indeed the revised Comprehensive Performance Assessment (CPA), termed Comprehensive Area Assessment (CAA), will assume similar processes in terms of joint working.

3. In November 2005 a Prospectus for Essex was developed by the County Council (largely autonomous of second tier Authorities), based on Central Government guidance. This was then submitted to the Government Office – East for approval. The submission contained a number of Priority Areas for action with supporting targets.

4. Government consent was granted to the proposed priorities, which are listed below. All fourteen were awarded equal importance and were therefore not ranked:

- Priority 1** - Reduce Obesity;
- Priority 2** - Reduce the number of people who smoke in Essex;
- Priority 3** - Ensure development is designed to promote healthier living in the built Environment;
- Priority 4** - Reduce the need for older people to go into hospital or residential care;
- Priority 5** - Generate inward investment and stimulate business development and Innovation;
- Priority 6** - Increase the number of young people who take a job or stay on in education or in training;
- Priority 7** - Raise educational attainment ;
- Priority 8** - Keep vulnerable children and young people safe;
- Priority 9** - Save lives at risk from accidents;
- Priority 10** - Reduce crime, the harm caused by illegal drugs and to reassure the public, reducing the fear of crime;

- Priority 11** - Build respect in communities and reduce anti-social behaviour;
- Priority 12** - Actively manage our environment;
- Priority 13** - Empower local people to have a greater voice and influence over local decision making and the delivery of services: and
- Priority 14** - Improve the quality of life for people in the most disadvantaged neighbourhoods and ensure service providers are more responsive to neighbourhood needs and improve their delivery.

The Epping Forest Response:

5. Further to the approval of the Essex Prospectus, each District/Borough Council and Local Strategic Partnership in Essex was then asked to consider the 14 priorities and determine which were the most relevant to their local situation. In addition, the Council were asked to formally sign up to the Local Area agreement for Essex and commit to contributing towards, what we deemed to be the main five areas of service output.

6. This request was considered initially on behalf of Overview and Scrutiny Committee by a specific Task and Finish Panel, who made a number of recommendations. The Cabinet ultimately considered these on 21 February 2006.

7. Cabinet resolved to support the principles in the Local Area Agreement for Essex in general, recognizing the potential of all the targets to bring about benefits for the population of the Epping Forest District. In particular, the Council agreed to focus its activities on the following five Priorities and Targets i.e. Numbers 3, 8, 10, 11 & 12, (*see Appendix 1 for further information*).

8. The Epping Forest Local Strategic Partnership at this time, also endorsed the LAA and whilst signing up to all 14 Priority Areas, did place additional emphasis in a number of different areas. Thereafter, they included relevant LAA targets, in the update of their Community Strategy 2006/07.

Implementation and Monitoring:

9. Whilst the District Council has therefore formally signed up to the delivery of the 5 Key Priorities identified, the LAA is in effect a joint project between the County's thirteen Local Strategic Partnerships, (within which Local Authorities have a leading role) together with the Community/Voluntary Sectors and Local arms of National public sector organizations.

10. The LAA is thus led by a co-ordinating body, the Essex Partnership, on behalf of the other agencies. The Essex Partnership has charged the Chief Executive of the County Council, to establish an Executive Group, to manage the project. This Executive Group brings together representatives of Essex's District/Borough Councils, the Police Service, Voluntary Sector and National Health Service, together with what are termed, the four "block leads".

11. The four 'blocks' have been developed to reflect the desire to locate work on the Local Area Agreement within existing Partnerships, wherever possible. The four blocks, which are accountable for performance over the 3 year lifetime of the Agreement, are as follows:

- **Children & Young People** (to include Priorities 1, 2, 6, 8, 9, 10, 11, 3, 5, 7, 12, 13, 14);
- **Safer and Stronger Communities** (to include Priorities 4, 8, 9, 10, 11, 3, 5, 7, 12, 13, 14);
- **Healthier Communities and Older People** (to include Priorities 1, 2, 8, 9, 10, 11, 3, 5, 7, 12, 13, 14); and
- **Economic Development** (to include Priorities 6, 3, 5, 7, 12, 13, 14).

12. Therefore, it can be seen that whilst the blocks have responsibility for delivery of their

subject area, the priorities are by no means mutually exclusive, with a fair amount of cross-over on common agendas.

13. In Summary, the first level of performance management is done “on the ground” by target leads and contributors. In addition, Block partnership leads are responsible for managing performance issues within their block, reporting progress to the Essex Partnership Executive. An overview is then provided by County Officers to Government Office-East.

14. Locally, in Epping Forest, the Council's Performance Management Unit, have developed and oversee a Local Action Monitoring Schedule. Through this mechanism progress is reported to Members of the Cabinet and Finance Performance Management Scrutiny Panel (which is due to consider the latest update on the 19th June 2007). In addition, Officers attend some of the “Block Lead” Meetings, in particular Safer and Stronger Communities and Economic Development.

Financial Considerations:

15. The majority of the costs of delivering the aspirations and targets within the LAA for Essex are met through the “Pooling” or “Alignment” of existing funds. For example “Pooled Funds” are funds collectively committed to the delivery of a Priority Area. For example the Council's Grant of some £150k p.a. from the County Council, for the Safer Communities Programme, has been “Pooled” as per the requirements of the Home Office.

16. Aligned Funds are individual participants own funds, identified by that partner as being used in such a way that they contribute to the achievement of a target in the LAA. Therefore, it can be seen that there is a higher level of direct local control of funds, which have been “Aligned” as opposed to “Pooled”.

17. The reasons for identifying aligned funds in the LAA are to:

- Express numerically the plans of each partner that contribute to achieving the LAA targets
- Illustrate the complex patterns of service provision that deliver LAA objectives
- Allow links to be drawn between the patterns of resource distribution and performance outcomes
- demonstrate the influence each individual partner may have on achievement of individual priorities
- encourages accountability between partners for performance outcomes
- demonstrate the engagement and commitment by partners to the LAA and to the successful delivery of priorities

18. The Local Area Agreement has been refreshed as required by Government for 2007/08. This process involved reviewing Priority Areas, updating targets, and consideration of further ‘Alignment’ or ‘Pooling’ of funds.

19. The table below shows the current funds that all partners have identified to deliver the LAA:

	2006-07	2007-08	2008-09	Total over three years
	£000s	£000s	£000s	£000s
Pooled funds	3,884	14,983	11,072	29,939
Aligned funds	308,067	646,226	647,035	1,565,929
Total	311,951	661,209	658,107	1,595,868

20. As highlighted, to date funding has been “Pooled” for the delivery of Priorities 10 & 11, The Safer Communities Programme.

21. The Council have also “Pooled” the additional Government Support Funding for recycling (priority 12). The LAA Board then agreed to allocate it back out to districts as though it had never been ‘Pooled”, but nevertheless it was actually “Pooled”. In future, the Government will only issue the recycling funding through the LAA process, with no guarantee of the same outcome.

22. However, a decision has yet to be taken by the Council to formally align funds for the delivery of either the other 3 Priorities, (3,8,12 identified by the Council) or indeed any of the other priorities, albeit the Council does currently work in these areas. An analysis is attached at Appendix 2, which identifies potential areas of future alignment. However, these could not appear in the 2007/08 LAA as the deadline for commitment to the refresh process was 1 April 2007.

23. Another consideration for the Council is that the Local Area Agreement initially appeared to offer the possibility of some new monies to be accessed by the Authority. This opportunity was via the mechanism of the former Local Public Service Agreements. The original Public Service Agreement LPSA1, covered the period 1 April 2002 to 31 March 2005. The Council received a Reward Grant, relative to its net budget requirement of £209,764 paid in two installments of £104,882 in 2005/06 and 2006/07. The funding was split 50% Capital and 50% Revenue.

24. Essex partners were due to agree a second-generation Local Public Service Agreement (LPSA2) with the government, to start in the 2005-06 financial year. Negotiations on that agreement were put on hold pending the development of the government’s policy on Local Area Agreements.

25. The County Council agreed with ODPM and GO-East that the LPSA2 would be incorporated into the Local Area Agreement as its “reward” component. (The Performance Reward Grant i.e. PRG). Negotiations were at a very advanced stage when the decision to delay was taken. The LPSA targets were reviewed, and the majority of them were restated on a 2006-07 to 2008-09 basis, in order to coincide with the planned life of the Local Area Agreement.

26. The reward element targets are included and identified in the LAA. The individual reward targets are also set out in detail, including arrangements for pump-priming and reward grant.

27. Decisions taken on the use of PRG to date are as follows:

(a) £45,000 has been allocated to each LSP over the next five years to support their capacity to drive forward the partnership agenda;

(b) £2million has been agreed as a fixed cash sum to support the establishment of an Endowed Fund to provide a powerful means of enabling the infrastructure to be built to strengthen the voluntary and community sector’s ability to fully engage in the LAA. This is for capacity building not project work;

(c) Alongside the Endowed Fund, there has been set aside a small amount of money to pay the expenses of voluntary and community sector representatives who are playing leadership roles in the LAA.

28. The remaining balance of the PRG will be available to fund high profile cross cutting Countywide projects. However, the criteria for these has yet to be fully determined and in recent discussion with County Officers, it is envisaged that it is likely to take in the region of 12 months before the allocation would be made. No funding has been allocated to date, but clearly it is the potential interest of EFDC to be engaged with the process, to enable any benefit to be realized for the District. This is particularly so as the funding level could be in the region of £15m to £25m over the final two years of the LAA.

Options for Action:

29. To date the Council has "Pooled" Safer Communities and Recycling funding and has identified further scope for Alignment. Consideration could be given to a greater degree of alignment, which in itself is prone to a degree subjectively, in order to potentially achieve future benefits both financially and socially. Particularly given Government's expressed ongoing commitment to the principles of LAA.(Some improvements have already been evidenced locally through the process, such as additional litter picking on parts of the main road network).

30. However, the possibility of at future date, the Government "Pooling" all "Aligned" funds across the County, and passing responsibility to the County Council to deliver on a Unitary basis, should be appreciated.

31. In addition, the Council may wish to increase its current 5 priorities to include other aspects of service delivery and include these within the refresh process 2008/09, in recognition of the fact that the authority are currently delivering services in many of the 14 priority areas.

32. The Council may wish to become more closely engaged in the development of the criteria for the cross-cutting County Wide Projects and start investigating any local potential projects. It should be noted that it is unlikely that stand alone bids will be considered, with more success envisaged if made on an multi-agency basis. To this end it may well be that the Epping Forest Local Strategic Partnership would be better placed to take this issue forward.

Management Board's Views:

33. This report on the Essex Local Area Agreement for Essex has been prepared at the request of the Council's Management Board, who have recognized that whilst the Council thus far has been compliant with the requirements of the LAA process, has adopted a relatively passive approach.

34. However, it is becoming increasingly apparent that the Government is placing more emphasis both in terms of funding and assessment of Local Authorities, on a more holistic multi-agency approach to service delivery.

35. The Board has cited the forthcoming Audit Commission Inspection of the effectiveness of the Essex Local Area Agreement, where within the Project Brief the Audit Commission clearly identifies:

"The Local Government and Public Involvement in Health Bill sets out a new performance framework for local services. As part of this, it is proposed that there will be the introduction of Comprehensive Area Assessments (CAA) from 2009/10.

The new performance framework will focus on place, rather than the individual bodies responsible for local services. It will look across local government, housing, health, education and community safety.

CAA represents a fundamentally different approach to assessment; it will be area based, risk focused and more forward looking than current assessment regime. The new framework will need to take account of how services are delivered across geographical areas and focus clearly on outcomes"

36. In addition, the Department of Communities and Local Government have stated their belief that Local Authorities, working with Partners and involving Local Communities, are best placed to decide and deliver local priorities and target resources. They have suggested that this will involve a range of approaches, such as aggregating budgets.

37. The Council's Management Board are of the view that there is an inherent risk of the Council becoming marginalized in terms of accessing future funding streams, some of which may be allocated directly to Local Strategic Partnerships as opposed to through the traditional revenue support grant route, if not fully engaged in the LAA process.

38. Similarly, if the Council were not able to fully demonstrate their community leadership role and active involvement in multi-agency working, in any forthcoming Comprehensive Area Assessment inspection regime, the Council's judgment and ranking may well suffer.

39. Whilst there are still reservations about "Pooling" further budgets and the opportunity to formally 'align' additional funds in the LAA 2007/08 refresh may not be feasible, it is the Board's view that the Council should be identifying increased alignment opportunities for the current financial year, if only on a "shadow basis", prior to potential inclusion in the 2008/09 refresh.

APPENDIX 1

KEY LAA PRIORITIES FOR EPPING FOREST DISTRICT COUNCIL

Priority 3 -

Ensure Development is designed to promote healthier living in the built environment.

Outcome Indicator and Target(s)

- i) All Local Authorities will ensure that their Local Development Frameworks contain a Policy requiring Health Impact Assessments for relevant Planning Applications by 2009.
- ii) The number of new homes built to the Lifetime Homes Standard (LHS) in each Borough/District will be a minimum of 3% of annual completions by 2009.

Priority 8 –

Keep Vulnerable Children and Young People Safe.

Outcome Indicator and Target

- i) Increase the proportion of young adults leaving care who have their accommodation needs met to 55.5%
- ii) Reduce the number of children and young people who have been victims of crime or anti-social behaviour e.g. bullying
- iii) Reduce offending by children and young people by increasing positive attitudes and behaviours amongst those at risk of offending especially 8 – 13 year olds, including by increasing the use of Acceptable Behaviour Contracts by 15%.

Priority 10 –

Reduce crime, the harm caused by illegal drugs and to reassure the public, reducing the fear of crime.

Outcome Indicator and Target(s)

- i) Reduced drug and alcohol use by children, reduced offending by young people involving drugs and alcohol and reduction in substance misuse among young offenders and care leavers and increase the number of adult drug users in treatment.
- ii) Reduction in Crime from 2004 baseline by 16.5% across the New Essex Area
- iii) Reduction in fear of crime by percentage of residents who feel safe in their Local Authority after dark
- iv) Increase charge and caution rates for perpetrators of domestic violence as a proportion of the total number of domestic violence incidents recorded by the police.

Priority 11 –

Building respect in communities and reduce anti-social behaviour.

Indicator Outcomes and Target(s)

- i) Reduction in perceived anti-social behaviour (as measured by survey) from 32.2% in 2003/04 to 29% in 2008/09

Priority 12 –

Actively Manage our Environment

Indicator Outcomes and Target(s)

- i) Reduce or limit the increase in size of Essex's ecological footprint in terms of household waste collection per head of population and CO₂ emissions from domestic energy use and car travel.
- ii) Maximize Recycling and composting of household waste (BOPI 82a and 82b)
- iii) Improve the cleanliness of and public satisfaction with Essex Gateway Areas and Adjoining Lands.