

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM 11

REPORT TO CABINET

9 MARCH 2006

REPORT OF CORPORATE MANAGEMENT TEAM

COUNCIL DECISION

LOCAL AREA AGREEMENT: 2006 UPDATE

Corporate - Lead Cabinet Member - Councillor Coleman

SUMMARY

The purpose of this report is to provide Members with a summary of proposals for refreshing Stockton's Local Area Agreement for 2006.

RECOMMENDATIONS

1. That Cabinet agree the changes to Stockton's Local Area Agreement outlined, subject to final negotiations with Government Office North East.
2. That any final amendments are approved via delegated responsibility to the Leader, Chief Executive and Vice Chair of Renaissance.
3. That during 2007 the Council continues to push for further freedoms and flexibilities through the LAA process.
4. Reasons for the Recommendations/Decision(s)

The Local Area Agreements prospectus, launched in July 2004, represents, in the Government's words, 'a radical new approach to improve the co-ordination between central government and local authorities and their partners, working through local strategic partnerships. Stockton was one of 21 pilots of this approach.

Our agreement has now been operating for a year, and this report sets out proposals for further strengthening our local approach. Local Area Agreements continues to drive this approach forward, and contributes to the development of the policy. At best, Local Area Agreements have the potential to rebalance the relationship between central and local government, with more powers and funding decisions devolved to local areas.

5. Members Interests

Members (including co-opted members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (paragraph 8) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgment of the public interest (paragraph 10 of the code of conduct).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting is being held, whilst the matter is being considered; not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (paragraph 12 of the Code).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc.; whether or not they are a member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting, and if their interest is prejudicial, they must also leave the meeting room during consideration of the relevant item.

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MANAGEMENT TEAM**

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RECOMMENDATIONS

1. That Cabinet agree the changes to Stockton's Local Area Agreement outlined, subject to final negotiations with Government Office North East.
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3. That during 2007 Council continue to push for further freedoms and flexibilities through the LAA process.

DETAIL

1. The Local Area Agreements (LAAs) prospectus was launched on 27 July 2004. LAAs represent, in the Government's words, "a radical new approach to improve the co-ordination between central government and local authorities and their partners, working through local strategic partnerships". Stockton-on-Tees Borough Council was selected as one of the 21 pilots announced on the 4th October 2004. After four months of intensive development work, Stockton Renaissance signed off a pilot Local Area Agreement for the Borough, which was subsequently agreed with Central Government and signed by Ministers in March 2005. The agreement runs to March 2008, with an annual update process built in.
2. Members will recall, there are two specific elements to LAAs:
 - They focus on a range of agreed outcomes that are shared by all the delivery partners nationally and locally and which they all agree to work towards achieving
 - They simplify the number of funding streams from central Government going into the area, help to joining public services more effectively and allow greater flexibility for local solutions for particular local circumstances.

3. Our agreement has now been operating for a year as one of the national pilots. During this time we have worked closely with Government Office for the North East in developing our implementation plans. During the first year of the agreement, our understanding of the aims and objectives of LAAs has developed. Rather than being merely a technical exercise in pooling of funds, LAAs aim to more fundamentally challenge the nature of the relationship between Central and Local Government. For our 2006 update therefore, we have rewritten the aims and objectives of our agreement to focus on the core objective of improving local services by devolving power and control from central government to localities. The simplification of funding streams mentioned at paragraph 2 is a core element of this devolution. In addition we have requested, as part of our updated agreement, a core set of freedoms and flexibilities from centrally imposed red tape.
4. We have reviewed the current agreement through joint work with members of thematic partnerships, with the aim of building on the three year agreement that we signed in 2005. The proposed updates will keep pushing for devolution and simplification of both the funding and performance regimes by which local services are constrained. The LAA is an ongoing process of dialogue between central and local government rather than an agreement which is set in stone, and is becoming a key element of the Secretary of State's proposals for local government reform. The Office of the Deputy Prime Minister is planning to roll out the approach to all local authorities in 2007.
5. Our LAA is organised around three funding and performance blocks: Children and Young People, Healthier Communities & Older People and Safer & Stronger Communities. The core change proposed in the 2006 update is the adoption of a fourth block to our LAA focusing on 'Economic Regeneration and Transport'. This reflects the importance of Regeneration to our LSP. Neighbourhood Renewal Funding, Neighbourhood Element and Cleaner, Safer, Greener funding will be paid through this fourth block. In time, there are likely to be opportunities for pooling of regional and sub-regional funds which although already aligned are the subject of burdensome bidding and monitoring regimes which tend to distract from delivery. In particular we hope to use the process to gain greater certainty and flexibility in funding of regeneration of the borough and sub-region.
6. In addition, we are proposing a number of specific enhancements to the implementation of the three existing LAA blocks which flow from consultation with thematic partnerships and build upon the existing agreement:
 - Pooling of Sure Start funding as part of the Children and Young People's LAA block, in support of the work of the new Children's Trust.
 - Pooling of Youth Justice Board funding in a mini-LAA style approach as part of the Safer and Stronger Communities Block, freeing us up from a prescriptive monitoring framework.
 - Pooling of drugs treatment money (as requested last year), including National Treatment Agency funding.
 - Delivery of pooling of funding already requested in the Healthier Communities and Older People block, with additional inclusion of 'Supporting People' funding.
 - Full integration of neighbourhood renewal and neighbourhood management performance management requirements within the LAA performance management framework (see below).

PERFORMANCE MANAGEMENT FRAMEWORK

7. In support of the above freedoms, we have extended and updated the performance monitoring framework of the LAA to include a set of core indicators in relation to Economic Regeneration and Transport. This will be further developed over the coming year.
8. We have also developed core sets of Neighbourhood Renewal and Neighbourhood Management performance indicators that are being integrated into this year's LAA. There will be six monthly reporting of LAA indicators, and traffic lighting of performance in the core outcome areas.
9. Subject to final agreement with Central Government, this should give freedom from the separate performance regimes for Neighbourhood Renewal and Neighbourhood Management funding which in the past have been very onerous for the Renaissance Board. We will be able to present one overarching performance report that covers the key Community Strategy, LAA, Neighbourhood Renewal and Management outcomes. The Board and Thematic Partnerships will then be able to focus more clearly on improving performance in areas where 'red' traffic lights occur rather than carrying out detailed plausibility tests across all outcome areas.

THE NEXT STEPS

10. The draft 2006 update document is attached as an appendix for consideration by Cabinet. The key areas which have been updated are highlighted in red. There are still a few areas of missing data in the new Economic Regeneration and Transport block where information is still being gathered.
11. Subject to any comments, it is recommended that Cabinet approve the draft update document for submission to Government Office at this stage. Final negotiations of the updates requested will then take place, and it is recommended that the Leader and Vice Chair of Renaissance are given delegated responsibility to approve any changes at that stage. This should then lead to sign off by Central Government in late March, with new pooled payments and freedoms being implemented from April 2006.

FINANCIAL AND LEGAL IMPLICATIONS

12. LAAs have the potential to free up resources through savings in management time and more effective use of funding streams.

COMMUNITY STRATEGY IMPLICATIONS

13. The LAA reflects the Government's key priorities as well as the Council's main improvement priorities set out in the Community Strategy.

CONSULTATION INCLUDING WARD/COUNCILLORS

14. The 2006 update of the LAA has been the subject of consultation with thematic and area partnerships and Councillors. In December 2006 a stakeholder event was held, including an external speaker from Government Office North East and workshops on individual LAA blocks. All thematic and area partnership board members, community empowerment network members and councillors were invited to this event. The 2006 consultation builds on the consultation and engagement which took place in order to develop the original agreement, which were the subject of a special Member seminar in early 2005.

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Background Papers

Stockton-on-Tees Local Area Agreement 2005-2008.
Local Area Agreement Guidance (2005, ODPM)