

October 2007 Briefing

Sustainable Communities Strategy for Northamptonshire (2008/31) and the second Local Area Agreement (2008/11)

Introduction

The purpose of this briefing is to help provide an update on recent and planned developments relating to the Sustainable Communities Strategy for Northamptonshire (SCSN) and our second Local Area Agreement (LAA2). Experience from our first go at this, and national feedback from elsewhere, has shown that this is difficult territory, particularly in multi-tier areas and the aim here is to outline where we have got to and what we need to do next in Northamptonshire.

Context

There are a number of key activities currently underway relating to the development of the SCS and in preparation of delivering the second LAA:

1. Secure the full potential for partners of the new model SCS, with a framework which meets our aims and aspirations for this as the core spatial, economic, social, transport and service delivery reference and strategy document for the sub region.
2. That the approach to the SCS main delivery plan, the LAA2 itself, with work on this, informed by the feasibility work undertaken in spring/early summer and the SCS development, is well under way and “owned” by the partners.
3. The way in which we look to secure new approaches to integrated services and common resourcing of LAA2 delivery, based on the above.
4. The work underway to improve the governance model and make it fit for purpose for the extra demands of LAA2 (as well as championing and driving application of the SCS overall).

All four of these streams of the development of the strategy, its delivery plan, its delivery capacity and its governance will be developed in tandem/parallel over the autumn and winter, and will be subject to a common and joined up consultation and engagement process through this period, with a view to a final position by April 2008 at the latest (notwithstanding the central government delay on implementation of LAA2 to June 2008, due to the Comprehensive Spending Review delay to October 2007).

Sustainable Communities Strategy

The first 'Community Strategy for Northamptonshire' identified those things that partners needed to do together to meet common responsibilities for improving the social, economic and environmental well being of local people. This along with the county's district-based community plans and other key strategies formed the basis of the first LAA and has been the starting point for our discussions and negotiations to date around developing the second.

The Local Government White Paper identifies the need for all local authority areas to prepare a 'Sustainable Communities Strategy' (SCS), setting out aims and aspirations for the development of the area. The sub regional strategy will be a key driver for LAA2 and is, therefore, crucial in setting out the strategic vision for the county and providing the vehicle for considering and deciding how to address cross-cutting issues in a way that is at the heart of creating sustainable development at the local level.

The preparation of the SCS comes at a key and opportune time in terms of national policy developments more generally. Various significant and high-profile documents, not least the Local Government White Paper (October 2006) itself, as well as the Sub-National Review of Economic Development and Regeneration (July 2007) and the Housing Green Paper (July 2007), stress the need for a strengthened local authority role in partnership working, community leadership and public service planning and delivery. Crucial to this is their sub regional and national roles, working with others, in 'place-shaping' and leading the sustainable development of localities.

The business of local government and the wider public sector, alongside our voluntary, community and business partners is therefore about more than managing and delivering a collection of public services that take place within an area. Local authorities, in particular, now need to respond to and facilitate responses to wider social, economic and other challenges in order to meet their wider community leadership responsibilities in the developing national, regional and local context.

These significant policy developments will act as key drivers for the SCS. The 'Sub-National Review of Economic Development and Regeneration', for example, identifies a number of key challenges central to delivering truly sustainable communities:

- focusing neighbourhood renewal activity (and funding) more closely on the most deprived areas;
- strengthening local powers to support prosperity, reinvigorate economic performance and working more effectively with business;
- giving local authorities, particularly upper tier authorities, the key sub regional role in drawing up detailed evidence based proposals setting out a vision for development of the sub region to inform regional strategy and
- enhancing the scope and opportunity for sub regions - through the SCS - to influence the development and delivery of a 'Single Regional Strategy' that will co-ordinate and provide the spatial, economic and social rationale for the region's jobs, economic growth, investment decisions and housing, planning and environmental objectives, replacing the current myriad of overlapping strategies, i.e. creating the "East Midlands Plan".

New LAAs

Local Area Agreements are about what sort of place we want to live in. They are about delivering on the strategic direction set out in the SCS and focusing on the priorities that will make Northamptonshire a better place to live, work and visit and that matter most to people in the local area.

They seek to establish a more mature relationship between central, regional and local partners, and signify a move away from a centrally prescribed 'one size fits all' approach to local delivery that will be enabled by greater freedom in taking and making local spending decisions.

Governance and delivery arrangements associated with new LAAs will therefore need to enable and support all partners in taking a lead on, scrutinising and responding to, increased demands and expectations locally, regionally and nationally, whilst ensuring any changes do not result in democratic deficit.

The focus of LAAs is on those local partners working more efficiently together to achieve common local objectives. Partners are brought together under the umbrella of a strategic partnership, which agrees the SCS for its area and LAA2 will become the delivery plan for this evidence-based strategy. To help strengthen the partnership element of LAAs, the new legislation establishes the following:

- i) a duty on lead local authorities (upper tier authorities – the County Council) to produce the LAA and to consult and seek the participation of named partners and such persons as they consider appropriate;
- ii) for all named partners to co-operate when they are determining their LAA priorities, with appropriate involvement and participation likely to differ depending on the individual agency and local circumstance and
- iii) a duty for relevant named partners to have regard to the targets once the LAA has been agreed.

Central government then, have identified two significant drivers for change in new LAAs: that they need to tell a strong story about the sense of "place" and the nature of our ambition for that place, particularly in respect of neighbourhoods and they should look at exploring and exploiting opportunities for service transformation through creative and innovative solutions to delivering priority outcomes.

As part of responding to this change agenda, in addition to named partners, it is vitally important therefore that the full range of service providers in the locality as well as local communities should be part of the process for determining and delivering targets. It is critical therefore that non-statutory organisations, including voluntary and community groups and businesses, play an integral role in the new LAA.

Indeed, the Local Government and Public Involvement in Health Bill will require lead local authorities as the overall convenor of the partnership, to ensure that all such organisations and individuals have a range of opportunities to participate in and influence the determination and delivery of local priorities (in line with the existing duty to consult on the drawing up of the SCS).

LAA Priorities and Indicators

Under the Bill, new LAAs will consist of up to 35 agreed priorities, together with 17 statutory Department for Children, Schools and Families (DCSF) targets on Education and Early Years (35 + 17). Whilst the DCSF targets have a stand-alone legal status and are therefore required to be listed separately from the main 35 priorities, together they all form part of the same LAA package.

These 35 priorities are selected from a list of 200 national indicators, to be published in October/November 2007. This list of 200 is made up of the indicators which Central Government Departments have decided are most important to them on a national level, and *includes* the 17 DCFS targets.

In this way local areas are empowered to select those national priorities that are most important to them, whilst still enabling Central Government Departments to deliver on priorities at a national level. Whilst local areas will still have to report on performance in relation to the full set of 200 indicators, they will only have designated targets in relation to their chosen 35 +17. The LAA is the *only* mechanism via which central government will agree targets with local partners.

To help ensure however that LAAs have as much of a local focus as possible, each area can add any number of purely local indicators to their agreement. These are entirely independent from Whitehall, and therefore carry no reporting burdens or links with reward grants. The local targets however are signed off together with the rest of the LAA, and therefore their strength is in the fact that they are covered by both the 'duty to have regard' and the 'duty to cooperate' (see above).

In the past LAAs have been divided into four thematic 'blocks' - safer and stronger communities; healthier communities and older people; children and young people and economic development, enterprise and growth - to which funding streams were tied. Whilst these blocks will still remain as a thematic guide when considering what targets to include, funding will no longer be tied to them. This will provide local partners with new flexibility over how resources are allocated to best fit with local circumstances.

Initial work carried out with partners and stakeholders during the summer has identified a number of key themes that we are developing as the cornerstone of the SCS and fundamental to shaping delivery against priorities through LAA2;

People	Place	Prosperity
Crime and harm	Sustainable transport	Education and skills
Substance misuse	Infrastructure growth	Jobs and wages
Participation and empowerment	Facilities and tourism	Business growth
Community cohesion	Environment and waste	Inward investment
Life expectancy and health	Public realm and land use	Housing
Supporting people and independence	Rural improvement	Economic independence

Assessing LAA Performance

The major changes to the LAA framework will come into effect in April 2008. However the scale of the reform of the national performance framework means that some elements will take longer to implement. So, the full framework is unlikely to be available until April 2009, when the Comprehensive Area Assessment (CAA) will be introduced in place of the Comprehensive Performance Assessment (CPA), with consultation commencing in the autumn 2007.

Each year the local services inspectorate, led by the Audit Commission, will carry out a risk-assessment of outcomes and services in each area. This new risk assessment – the CAA – will provide an assessment of performance, risk and future prospects across a range of local services and priorities delivered by a number of local partners. Organisations will no longer be assessed as individual entities, rather they will be judged on how they function within the partnership and this will inform the negotiation of future LAA improvement targets.

Future Funding Arrangements

The new funding arrangements are a significant departure from the current area-based initiatives and pooled funding streams in the LAA. The Comprehensive Spending Review (expected in October) will confirm how grants will be paid to local authorities and these will be reconfirmed in the three-year local government finance settlement.

In LAA1 the pooling of area-based funding streams is linked to the establishment (and delivery) of project based targets. In LAA2 local authorities and partners will use a variety of funding sources to deliver the 200 national indicators, including those improvement targets contained in the LAA and local priorities, such as Council Tax, other mainstream funding, formula grant, Single Capital Pot, ringfenced grants as well as the unringfenced, area based grant. The decision on how much funding should be used to support delivery of local and national priorities will be determined locally.

Future funding arrangements for local authorities will be determined by a hierarchy. Firstly funding should wherever possible, be provided as mainstream funding, e.g. Revenue Support Grant (RSG). Where this is not possible funding will be provided through the area-based grant, which is not linked directly to any programme as it supports all the area's priorities.

Some funding streams may remain outside LAAs as ringfenced grants, where this can be justified (e.g. Sure Start Early Years and Childcare Grant) and these will remain subject to existing local auditing requirements, for example as currently exists for RSG. There will be no additional audit requirements as is the case for the current LAA grant.

Finally, the future of reward grant linked to performance in 'public service agreements' will be announced as part of CSR07. Possible future reward systems in the context of the LAA framework is under consideration in light of feedback from the existing process, particularly as to whether there might be potential to move from a system which pre-negotiates a specific number of reward targets to one which provides incentives across the full range of LAA improvement targets.

Indicative Timetable and Key Milestones (October'07/June'08)

October <ul style="list-style-type: none">• CSR07 announced (including a list of the national indicator set 'headline definitions')• Outline information and narrative published relating to new performance framework• Operational guidance published on new LAAs and MAAs (Multi Area Agreements)• Partner engagement and involvement in drafting SCS
November <p>Government consultation on:</p> <ul style="list-style-type: none">• The statutory guidance on the 'Place Shaping' role of local authorities• The new Comprehensive Area Assessment framework• Detailed technical definitions underpinning the national indicator set
December <ul style="list-style-type: none">• LAA2 outcomes framework (including initial indicators and grant funding allocations) discussed with GOEM• Wider consultation on SCS begins
January <ul style="list-style-type: none">• Detailed technical guidance issued by central government on the national indicator set, financial management and grant determination• Initial negotiation of LAA2 improvement priorities
February <ul style="list-style-type: none">• First submission of LAA2 improvement priorities to GOEM
March <ul style="list-style-type: none">• Continuing negotiation of LAA2 improvement priorities• Grant funding allocations confirmed• Approval of SCS by LAA Strategic Board
April <ul style="list-style-type: none">• Second submission of LAA2 improvement priorities to GOEM
May <ul style="list-style-type: none">• Continuing negotiation of LAA2 improvement priorities
June <ul style="list-style-type: none">• GOEM recommend LAA2 for Ministerial sign-off

Further Information

If you want any further details relating to what is included or other information relating to either the Sustainable Communities Strategy for Northamptonshire (2008/31) or the second Local Area Agreement (2008/11) please contact in the first instance:

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