



Centre for Local  
Economic Strategies

# bulletin

## From Pilot to Phase 2: The 'New' Local Area Agreements

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### **Introduction**

Local Area Agreements, first introduced in 2004 were heralded as a radical new approach to relationships and co-ordination between local and central government and between local government and their partners. Through coming together to decide upon locally reflected outcomes and targets, to decide upon more effective and efficient spend of both mainstream and area based funding, and to negotiate with Government Offices for the Regions and Government Departments upon locally specific enabling measures or freedoms and flexibilities, Local Area Agreements were viewed correctly as an opportunity for real devolved decision making.

CLES have been a key follower of the Local Area Agreement and wider partnership agenda in the last couple of years, and through the results of our research and policy advice activities have begun to understand the nuances and range of experiences of the process by local authorities, by partners, by the voluntary and community sector, and by Government itself.

The Local Area Agreement agenda is now entering a new era. The Government's commitment and ante with regard to Local Area Agreements has been raised in the last couple of weeks with the publication of a new policy publication around the negotiation of 'new' Local Area Agreements<sup>1</sup>. The purpose of this bulletin therefore is to look at the 'Negotiating New Local Area Agreements' policy paper in more detail and to supplement this new information with findings of our research and that of others as to the effectiveness of the Local Area Agreement process to date.

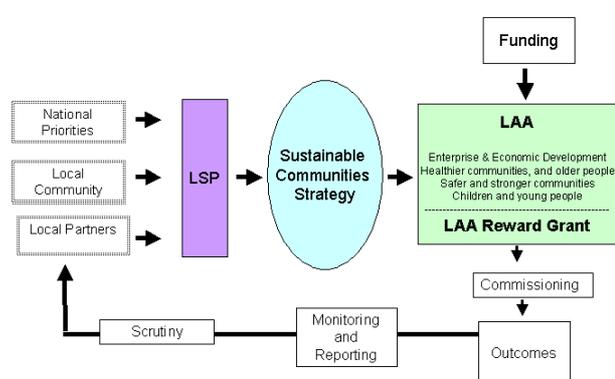
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<sup>1</sup> Communities and Local Government (2007) *Negotiating New Local Area Agreements*. London: HMSO

## **What are Local Area Agreements and Why do they Matter?**

Before looking into the thinking behind and the proposals for 'new' Local Area Agreements it is worth reiterating what Local Area Agreements are and why they matter. Local Area Agreements were introduced as part of the Local Government Modernisation Agenda in 2004 and to date, there have been three rounds of pilot Local Area Agreements with 21 areas 'signed off' in March 2005, a further 66 'signed off' in March 2006 and the remaining 62 top-tier authorities 'signed off' in March 2007<sup>2</sup>. The diagram below (figure 1) has often been used to explain the process of Local Area Agreements and its linkages with other local strategies, local and national priorities and funding cycles.

*Figure 1 – What are Local Area Agreements?*



The process of Local Area Agreements starts at the far wider priority and vision setting for local authorities. The national indicator set, previously around 1200 indicators is fed into the discussions of the Local Strategic Partnership and their thematic groups, together with the needs and thoughts of communities, and also the priorities of other local public and private sector partners. These thematic considerations lead to the formation of the Sustainable Community Strategy.

The Local Area Agreement motorises the themes and visions of the Local Strategic Partnership and Sustainable Community Strategy, through four blocks of outcomes, sub-outcomes, indicators targets and delivery activities. The blocks address issues around four broad areas: enterprise and economic development; healthier communities and older people; safer and stronger communities; and children and young people.

Funding and the utilisation of funding is potentially less complex and more effective and efficient through the Local Area Agreement process. There are three types of funding that can be used to achieve the outcomes in a Local Area Agreement.

- ❑ Area specific funding allocated and distributed direct to an area by a Government Department such as the Neighbourhood Renewal Fund can be automatically pooled through a Local Area Agreement.
- ❑ Mainstream and partner funding such as the Police, can be aligned against specific Local Area Agreement outcomes and targets.

<sup>2</sup> Copies of all Local Area Agreement documents can be viewed on the Improvement and Development Agency website: <http://www.idea.gov.uk/idk/core/page.do?pageld=1174195>

- ❑ Non-Departmental Public Bodies such as Big Lottery can also align their funding with Local Area Agreement funding locally.

The Reward Element, effectively the continuation of Local Public Service Agreements, enable areas to select a number of stretching targets against which successful performance will be rewarded with monies. Following the setting out of outcomes, indicators and targets; the pooling of aligning of funding; and the evidencing and negotiation of stretch targets; Local Area Agreements commission delivery organisations and projects.

A further key area of the Local Area Agreement negotiation process is enabling measures, formerly known as freedoms and flexibilities. There are a number of enabling measures that are core to all Local Area Agreements, such as the ability to pool funds within blocks and reductions in monitoring and reporting requirements for pooled funds. Areas can also however, request additional enabling measures where there are specific barriers to the delivery of outcomes.

It has often been asked why Local Area Agreements matter and why local authorities and their partners in particular should bother with the process. Figures 2 and 3 summarise two of the key reasons why Local Area Agreements matter in theory. Firstly, they lead to better results for local areas in terms of more effective joining up of local public services and thus improved outcomes. Secondly, they lead to better governance at both national and local levels.

Figure 2 – Better Results

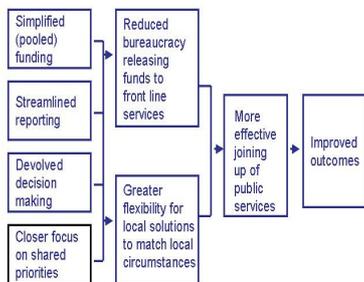
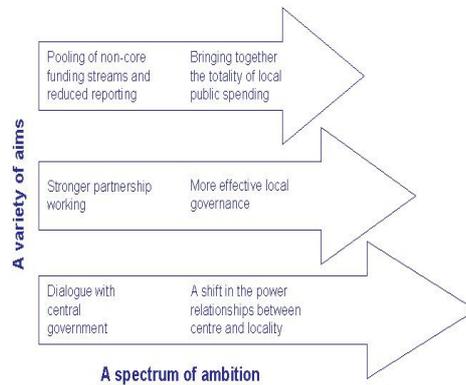


Figure 3 – Better Governance



## **What Next for Local Area Agreements – Negotiating ‘New’ Local Area Agreements**

The emerging guidance and criteria for second phase ‘new’ Local Area Agreements is framed in a number of emerging policy documents and legislation developments:

### ***Local Government White Paper and Bill***

The 2006 Local Government White Paper and the subsequent Local Government and Public Involvement in Health Bill began to ramp up the significance of Local Area Agreements as the key performance management and priority setting tool for local areas. The centrality of the Local Area Agreement mechanism to the Local Government White Paper emphasised and clarified the key purpose and importance of Local Area Agreements. Rather than being viewed as policy documents with a neighbourhood renewal and regeneration focus, as a way of joining up and delivering partner aspirations, as a way clarifying overlapping area

based initiatives, Local Area Agreements have taken on a broader role to be a performance management tool for the local public sector.

### ***Review of sub-national economic development and regeneration***

The sub-national economic development and regeneration review highlighted the importance of Local Government to localities and in particular its role as a 'place-shaper' for localities and local economies. 'Place-shaping' and strong Local Government and local governance is embedded in the process of phase two 'new' Local Area Agreements with local authorities viewed as leaders of local coalitions of partners and service deliverers.

### ***'New' Local Area Agreements – the key developments***

The Local Government White Paper, the sub-national review and the Negotiating 'New' Local Area Agreement documents set out a number of policy and delivery changes for the future development and delivery of Local Area Agreements. Since January 2007, Government and a select band of 17 local partnerships have been working to put some of the theory of the Local Government White Paper into action with regard to Local Area Agreements and to shape guidance for phase 2 of the process and the development of 'new' Local Area Agreements. Key strategic changes include:

- ❑ ***Recognising the role of the Local Authority as Place-Shapers*** – The policy documents highlighted the role of local authorities not only as leaders of areas and as place shapers, but also as 'enablers' of local activities. The duty of the local authority to prepare Local Area Agreements and as leaders of the Local Strategic Partnership has key consequences for the way in which local areas are shaped and developed.
- ❑ ***New duties for Partners within Local Area Agreements*** – The policy documents strengthened the role of and accountability of partners within the Local Area Agreement. The White Paper introduced a duty for a list of 21 statutory consultees to cooperate with the agreement. The White Paper also contained a duty for partners to have regard to targets.
- ❑ ***Strengthened involvement of the VCS in the Local Area Agreement*** – Whilst there is not a lot about the voluntary and community sector within the policy documents in duty terms, there is a key element that begins to recognise the sector as service providers and potential deliverers of Local Area Agreement projects and as a contributor to targets. The sub-national review also reiterates policy considerations to third sector organisations, which are not equipped to deliver contracts, with a commitment to the continuation of some grant funding mechanisms.
- ❑ ***Simplified Funding within the LAA*** – The policy documents simplified funding and reporting upon the spend of funding against thematic outcomes further by collapsing the block structure of Local Area Agreements. From 2009, all Local Area Agreements will be single pots with pooled funding brought together.
- ❑ ***Strengthened Local Area Performance Management functions*** – The policy documents strengthened the importance of the Local Area Agreement as a central part of Local Government's performance framework. In the future Local Area Agreements are to be viewed as being the delivery plan for the Sustainable Community Strategy focused on a relatively small number of priorities for improvement.
- ❑ ***A New National Indicator Set*** - The biggest change with regard to negotiation and delivery of Local Area Agreements surrounds target setting and the new national indicator set. 'New' Local Area Agreements will now only include 'up to 35' targets for achievement and measurement. The targets will continue to be negotiated between local authorities and their partners and Central Government through the Government Offices, but will be drawn from

a much reduced and new national indicator set of around 200 performance indicators. The national indicator set is currently in consultation between Central Government Departments and will be announced alongside the Comprehensive Spending Review later on in October of this year. The indicators will represent the priorities, which Central Government Departments agree are most important to them, but will have significant local focus through the negotiation part of Local Area Agreements.

- ❑ **A strengthened focus upon the locality** - In addition to the 'up to 35' targets, all areas will also agree 17 statutory education and early years targets with Government, which will also be contained within the national indicator set. It is expected that every 'new' Local Area Agreement will be different and locally reflective, as a result of the ability to select the 35 targets of most local significance. The Local Area Agreement targets together with the statutory education and early years targets will also enable Central Government Departments to deliver on national priorities in a way which ensures these meet the particular needs and concerns of local people.
- ❑ **Removal of the Block structure** - A further significant change to the process of 'new' Local Area Agreements is the removal of silos around the blocks to which funding streams are tied. Whilst the 4 thematic blocks will remain, at least until 2009, and will remain as a guide to ensure the full range of national priorities are considered in negotiation about which targets to include in the Local Area Agreement, 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.

#### ***Developing 'New Local Area Agreements' – a range of considerations***

The activities of the Department of Communities and Local Government since January 2007, with the help of the 'dry run' partnerships has sought to simplify the process of developing and negotiating a 'new' Local Area Agreement. The negotiating 'new' Local Area Agreements policy paper sets out four key elements which local areas and local partnerships have to get right to ensure effective Local Area Agreements. Each element is supported by an example of good practice from the 'dry run' authorities:

- ❑ **Developing the story of place and the supporting evidence base** - It is important that the starting point in any Local Area Agreement negotiations is the ensurance of strong partner relationships and alignment of views around the Sustainable Community Strategy. The Sustainable Community Strategy effectively tells the 'story of a place' with the visions, values, and aspirations effectively providing a rationale for the 'up to 35' improvement targets of the Local Area Agreement. The 'new' Local Area Agreement guidelines suggests that the voluntary and community sector have a key role in developing the 'story of place', by providing a baseline of need reflecting very local perspectives. Creating a 'story of place' is particularly important in two-tier areas with the Local Area Agreement needing to reflect relationships and community strategies across all district areas. The guidelines also reflect the importance of evidence in 'new' Local Area Agreements. With 'up to 35' targets to be included locally, strong evidence will underpin negotiations with Government Office and justify the inclusion of particular priorities.

**Case Study 1: Derbyshire Partnership** - The Derbyshire Partnership undertook a piece of work to ensure that the county-wide Sustainable Community Strategy (2006-2009) 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 Local Area Agreement, and has enabled partners to develop a better shared understanding of the priorities across Derbyshire and how these might be

included and measured within the Local Area Agreement. The Derbyshire Partnership has also sought to develop its evidence base to shape its future selection and development of priorities. They have developed area profiles based around the Audit Commissions quality of life themes, using a range of statistical and consultation data.

- ❑ **Using the story of place and local ambitions to shape the whole Local Area Agreement and to identify within it up to 35 priorities** - The guidelines suggest that 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. Whilst at this stage, as a result of the national indicator set not being published, Local Area Agreements cannot provide baseline evidence against specific indicators. They can however begin to think about and evidence the themes and outcomes of particular local importance which may shape the 'up to 35' indicators. Having agreed the local outcomes that will shape the Local Area Agreement, local partnerships will then identify the most appropriate indicators from the national indicator set when it is published.

**Case Study 2: Sheffield** – As part of the 'dry-run' activities, Sheffield sought to develop a criteria against which they could assess the potential inclusion of an indicator within the 'new' Local Area Agreement. It was decided that in order for it 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.

- ❑ **Involvement of local councillors in the Local Area Agreement and other governance structures** - The new guidelines recognise that the engagement of councillors in Local Strategic Partnerships and Local Area Agreements needs to be better developed, as involvement of these local individuals is fundamental to the legitimacy and the success of local governance structures in their local authority area. The guidelines state that Local Area Agreements need to be much more reflective of local councillors as they are vital to agreeing the story of place, identifying and agreeing priorities, contributing to the evidence base, providing leadership, holding partners and the Local Area Agreement to account and scrutinising.

**Case Study 3: Kirklees** – In Kirklees the Local Strategic Partnership has been restructured to deliver better Local Area Agreement outcomes through joining up strategic deliberations with coordination of resources and shared responsibility for delivery. At this restructuring juncture 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. Councillors have been involved in a variety of different ways in the Local Area Agreement process. Political groups were briefed early and encouraged to debate and identify priorities they wanted in the Local Area Agreement. Councillors are fully involved in the implementation, review and challenge via partnership boards and the scrutiny.

- ❑ **Negotiations – developing a constructive and productive relationship with the Government Office** - The new guidelines suggest that there needs to be a stronger and more coherent mapping of the Local Area Agreement process at local authority and local partnership level before negotiations with

Government Offices begin and this mapping considers the needs of all local partners. The guidelines suggest a need for a process map setting out the key milestones, timescales and governance structures, clarifying what needs to be decided, when, by whom, how and what support is needed. Early partnership work over the negotiation of priorities is particularly important for non-local authority partners.

## **Framing 'New' Local Area Agreements in Research**

Changes to the Local Area Agreement process and the theory behind the policy have been necessary as a result of a number of concerns and critiques that have emerged throughout the pilot phase, particularly with regard to the 'localness' of the agreements. Research by CLES and number of other organisations have highlighted three areas where there have been particular issues, blockages or confusion around Local Area Agreements:

- ❑ The process of Local Area Agreements;
- ❑ The role of the Third Sector;
- ❑ The value of freedoms and flexibilities;

### **The process of Local Area Agreements**

The Office for Public Management (OPM) have carried out 2 evaluations of the process of developing Local Area Agreements in the pilot and 2<sup>nd</sup> round pilot authorities. The research carried out with 12 of the 21 pilots, 6 of 66 round two pilots and with the 9 Government Offices highlighted a number of issues where there had been particular concerns and confusion over the process of Local Area Agreements:

- ❑ ***Confusing aims and purpose*** – The evaluation found that there was confusion with regards to the aims and purpose of Local Area Agreements. Whilst some areas saw the process as about 'everything' that authorities do with regard to priorities and a new way of doing business, others saw the process as a way in which a few select priorities can be addressed differently by partners. The evaluation also found that there were different perceptions of Local Area Agreements by local areas and by central government departments. Whilst localities tended to see Local Area Agreements as an opportunity for central-local dialogue, central government departments have viewed them more as contracts.
- ❑ ***Unrealistic approaches to outcomes*** – The evaluation found that many stakeholders at central, regional and local levels had articulated unrealistic expectations about the immediacy of the impact of Local Area Agreements. Whilst Government seemed to expect immediate changes in service delivery, localities also had over ambitious perceptions with regard to freedoms, reporting and in particular an end to conflicting priorities imposed on local partners by central government.
- ❑ ***Varied development success across localities*** – Whilst the process of developing Local Area Agreements was far smoother in 2<sup>nd</sup> round than 1<sup>st</sup> round pilots, the process evaluation found particular nuances in development success. The process was particularly unsmooth and uncoordinated in two-tier areas as a result of varying district and also political priorities. Timescales have also been a challenge, particularly where Local Area Agreement negotiations have had to take place alongside the negotiation of stretching targets. As will be discussed later in this paper, the evaluation also found that there were varying degrees of success with regard to enabling measures or freedoms and flexibilities.
- ❑ ***The valued role of Government Offices*** – The evaluation recognises the important role Government Offices have played in the Local Area Agreement

process as a broker between central and local government. Whilst Government Offices have put a great deal of energy into building relationships with localities, levels of engagement have been dependent upon the strength of local authorities. Where authorities are strong, a 'light touch' Government Office approach has caused few difficulties, yet where authorities are weaker there have been more difficulties.

- ❑ **Increasing awareness as to the value in Central Government** – The evaluation highlighted that whilst awareness of Local Area Agreements amongst Government Departments was on the increase, the extent of the value placed on the process varied by Department. There appears to be strengthening support for Local Area Agreements in some Departments. Yet, it is equally clear that other parts of central government remain sceptical, and concerned about the potential impact of the policy on their own departmental objectives.

### The role of the Third Sector

The third sector should be a key and respected partner to local government, as a result of their diverse range of roles, themes, responsibilities and areas of expertise. Evidence from NACVS, NCVO and a range of local organisations would suggest that engagement of the sector in Local Area Agreements to date, both in strategic and delivery terms has not been as strong as it could be. Government and local authorities need to understand more effectively the diversity of the third sector, particularly in terms of size and scale and tailor engagement accordingly. Through work with a range of third sector organisations, CLES have looked into this need to recognise diversity, size and scale and have produced a spectrum for the both the sector and local government to highlight potential areas of opportunity for engagement in the Local Area Agreement process.

Figure 4: The Spectrum of Third Sector Involvement in Local Governance

<b>Level 1</b> As a Communicator of activities	<b>Level 2</b> As a Local Authority/Community Broker	<b>Level 3</b> As an advocate of policy	<b>Level 4</b> Through a Third Sector Infrastructure Body	<b>Level 5</b> As a Thematic Partner	<b>Level 6</b> As a Strategic Partner / Lead	<b>Level 7</b> As a Strategic Deliverer	<b>Level 8</b> As a Service Deliverer
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#### **Level 1 – As a Communicator of Activities**

Third Sector organisations have a role in local governance in communicating their activities to local authorities, other public sector partners, the private sector and other third sector organisations. By producing newsletters, publicity material, articles in local newspapers, third sector organisations can keep other local stakeholders abreast of activities being carried out in the locality.

#### **Level 2 – As a Local Authority/Community Broker**

Third Sector organisations have a role in local governance as being a key broker between communities and local government, their partners and local governance mechanisms. With third sector organisations often rooted in small geographical communities or neighbourhoods, they often have the local knowledge to identify issues of local concern and feed these up to local governance mechanisms.

#### **Level 3 – As an Advocate of Policy**

Related to their role as a local authority/community broker, third sector organisations have a role in local governance in gaining information about,

understanding and filtering to communities new national and local policy developments.

#### ***Level 4 – Through a Third Sector Infrastructure Body***

Third Sector organisations can have a role in local governance through being members of and providing viewpoints to third sector infrastructure bodies. Third Sector infrastructure bodies such as the Tameside Third Sector Coalition (T3SC) are increasingly involved in both overall and thematic theme groups of Local Strategic Partnerships and in overall Steering Groups and Block Groups of Local Area Agreements.

#### ***Level 5 – As a Thematic Partner***

Third Sector Organisations, often specialise in one or a series of areas. Smaller organisations may focus upon youth and sporting activities for example, others such as Groundwork may have a strategic focus such as environmental regeneration, but link that focus into a range of other issues and activities such as employment, worklessness, young people, business, crime and health. This issue based and thematic specialism lends third sector organisations to involvement in local governance through the thematic groups of Local Strategic Partnerships.

#### ***Level 6 – As a Strategic Partner/Lead***

Whilst there is limited evidence of third sector organisations actually chairing Local Strategic Partnership Boards, there is evidence of them forming part of the main board and partnership. Whilst this is often the larger local infrastructure bodies who have the time and capacity, there are a number of smaller yet national organisations with representation on the main partnership board, including Groundwork and Age Concern for example.

#### ***Level 7 – As a Strategic Deliverer***

Third Sector organisations can be involved in local governance as a strategic deliverer in two main ways. First they can map how their activities correlate to Local Area Agreement outcomes and targets. This mapping can highlight to public authorities the wide scope, diversity and contribution of the third sector and the contribution they make to targets and stretch targets. Second, third sector organisations can actually be commissioned to deliver projects through the Local Area Agreement process.

#### ***Level 8 – As a Public Service Deliverer***

There has been increasing emphasis in recent years on procurement and particularly of the third sector bidding for, delivering and sustaining public sector contracts. Delivering public service contracts is a key 'shoe-in' for third sector organisations into local governance activities and can realistically take place at any scale within the third sector.

#### **The value of freedoms and flexibilities**

CLES carried out research early in 2006 looking at the role of and value of freedoms and flexibilities in the Local Area Agreement process. Overall, we found that only a small percentage of pilot requests had actually been granted and that there had been some misinterpretation over the meaning and reasoning behind freedoms and flexibilities. The research concluded with a number of concerns about the freedoms and flexibilities aspect of Local Area Agreements:

- Should local authorities be doing these things anyway?
- Are they likely to lead to a fundamental delivery change?
- Do they need Government Office as the go-between?
- Do many just require communication between partners?

- Are many unachievable as a result of the need for a change in legislation?

Overall, the pilots believed that the impact of the freedoms and flexibilities would be relatively minor in the short-term. This was because the freedoms and flexibilities agreed were not massively transformational but instead tended to tinker with the margins of service delivery and working practices with deeper impact expected in the longer term. Several pilots felt that there were significant positive benefits. The most important and pivotal element of the process had been the opportunity to discuss service delivery and working practices with other key partners, allowing a productive discussion about how best they could work together for the benefit of service users in their area.

Whilst the Local Area Agreement process was promoted as having the ability to reduce bureaucracy, increase flexibility and place a greater emphasis on local target setting and delivery, the reality to date has not as yet matched the rhetoric. There is a perception among many pilots that the Government has been too prescriptive and begrudging of freedoms and flexibilities. Moreover, the pilots felt that they had not had the freedom to be truly innovative, thus the impact so far has been minimal.

From the research it became clear that there were a number of core considerations that local authorities and their partners needed to take into account when negotiating freedoms and flexibilities:

- ***Deciding upon Freedoms and Flexibilities***

- Freedoms and flexibilities were mostly decided by the thematic partnerships of the LSP, based on key barriers to service delivery, and brought forward into the agreement by the block leads in each of these areas.
- The first round pilots we spoke to requested a mixture of freedoms and flexibilities, some were based around Government Guidance as has already been discussed, others were locally focused concentrating on working practices and local barriers, and others were freedoms and flexibilities that would address national barriers to local issues.

- ***Number of Freedoms and Flexibilities and the Timescales involved***

- The timescales need to be lengthened to allow an agreement to be developed that would permit real and lasting change in working practices and service delivery.
- There was disappointment that the pilots had been asked to limit the number of freedoms that they would request.

- ***Central Government Guidance and control over Local Area Agreements***

- There was a fear that there was a lack of the necessary political will, at the national level, to fully support substantial changes in both working practices and service delivery, and that those freedoms and flexibilities that were not explicitly linked to specific targets would not be agreed, even if there was a strong local case for them.
- A greater emphasis has been placed on requesting freedoms and flexibilities that are similar to those outlined by the Government in the guidance given to pilots, because it was felt that these were more likely to be agreed. Although most pilots also supplemented these with some locally-based freedoms and flexibilities.
- Support from Government Offices had generally been good and critical where needed.

❑ **Impact of Freedoms and Flexibilities**

- The added value on the ground seems a long way off – the bureaucracy surrounding freedoms and flexibilities is huge and although the theory of Local Area Agreements and the freedoms and flexibilities is good, there is still too much central government control over the process.
- At present hope and aims around Local Area Agreements are not being fully realised, however prospects in the long term are good.

**Conclusion**

The first phase of Local Area Agreements have the potential to make a real impact to communities and local areas. Indeed they are also a key move strategically in the right direction when it come to localism and place shaping. There have however been a series of blockages, barriers and issues in the development, negotiation and delivery process of Local Area Agreements to date:

- ❑ Questions have been raised centrally and through research and practice locally with regard to whether the process is 'real devolution' and whether it is actually leading to improved and stretched performance against issues of local magnitude.
- ❑ Issues have been raised in devolution terms as to whether the role of local authorities as leaders of local coalitions really means enhanced partnership working and partner involvement; as to whether there remains too much central control of indicators; and as to why enabling measures are on the whole unsuccessful.
- ❑ Issues with regard to improved performance have been raised around whilst Local Area Agreements have led to a more coordinated performance structures, there is yet to be significant impact or evidence of impact in delivery terms.

The second phase of Local Area Agreements to be implemented from July 2008 will effectively signify more local control over indicators for local areas. The first guidance note for 'new' Local Area Agreements marks a potential radical letting go of Whitehall controls to give councils and communities more power to decide their own local priorities. With the indicator and target set slashed, so that Local Area Agreements now include only 'up to 35' targets for improvement out of a national indicator set of 200, there is far greater opportunity for local flexibility, locally responsive targets and ultimately more local priority focused service delivery. 'New' Local Area Agreements represent a significant opportunity for local areas to more effectively shape the focus of their Local Area Agreement to be reflective of the issues that really matter to their locality. The removal of barriers around the thematic blocks removes some of the constraints to focus upon particular mandatory priorities and allows the opportunity to focus the Local Area Agreement around a smaller number of issues. The timetable for the development of 'new' Local Area Agreements is as follows:

- ❑ **Mid/Late October 2007** – list of national indicators as part of Comprehensive Spending Review;
- ❑ **Mid/Late October 2007** – phase 2 of the operational guidance for Local Area Agreements and Multi Area Agreements;
- ❑ **Nov 2007** – A consultation document on the technical definitions underpinning the national indicator set;
- ❑ **Jan 2008** – negotiation of priorities based on departmental and Government Office discussions and LA/LSP consultations;
- ❑ **Feb 2008** – Local Authorities submit revised outcomes framework to Government Offices;

- ❑ **March 2008** – continuing negotiation of priorities based on departmental and Government Office discussions and LA/LSP consultations;
- ❑ **April 2008** – Local Authorities submit revised outcomes framework to Government Offices which will include proposed improvement targets;
- ❑ **May 2008** – continuing negotiation of improvement targets based on departmental and Government Office discussions and LA/LSP consultations;
- ❑ **June 2008** – Government Office Regional Directors make recommendations to central government. Ministerial sign-off.

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