

CLES Bulletin is a topical summary of an issue which has recently emerged. Its aim is to provide a pithy précis of the issue, thus creating a quick and easy to read document which directs to more detailed material, if required.

CLES Bulletin No. 32
Local Area Agreements

CLES BULLETIN



Introduction

Local Area Agreements (LAAs) were introduced in a government prospectus in July 2004¹ with the primary aim of improving the relationship between central and local government and Local Strategic Partnerships. LAAs are expected to reach agreements that achieve local solutions by meeting local needs, whilst also contributing to national priorities and standards set by central government. Originally, the prospectus hoped to pilot nine LAAs, one for each of the English regions. However, as a result of unexpected demand by local and county authorities, 21 pilot LAAs² were announced in October 2004 across the country. By March 2005 each of the chosen pilots released their visions, development and delivery prospects for their own individual LAA³ and these were then 'signed off' by the Local Government Minister, Nick Raynsford.

Background and Context

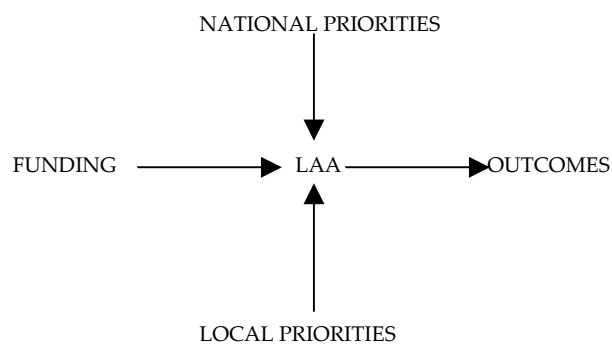
Since their return to power in 1997 the Labour government have actively sought to reduce the amount of bureaucracy that exists between local and central government, with an emphasis on increasing the powers of local authorities. In recent years in particular, many local authorities have been taking a lead role in creating private and public partnerships, which are delivering change locally and meeting central government targets. However, there is further recognition of the need of central and local government and their respective partners within Local Strategic Partnerships (LSP's), to do more in order to overcome disadvantage and improve quality of life.

The Local Area Agreement initiative is situated within the broader considerations of the Office of the Deputy Prime Minister as regards local government, local democracy and partnership working. In 2004, the ODPM released its 10-year vision for the future of local government⁴. This document is based around the key themes of improving leadership, citizen engagement and service delivery within local authorities as well as attempting to reduce the bureaucracy that exists between central, regional and local government.

The Principles of Local Area Agreements

LAAs will require a step change in the way in which local and central government relate to each other in order to achieve priority outcomes at the local level. Figure 1 highlights a model of how each LAA pilot operates:

Figure 1



The Local Area Agreement package highlighted in the ODPM prospectus is based around four key elements as well as establishing the pilot LAAs. The four key elements are:

- simplified funding for Safer and Stronger Communities;
- strengthened Local Public Service Agreements;
- strengthened National Strategy for Neighbourhood Renewal;

¹ ODPM (2004) *Local Area Agreements: A Prospectus*. ODPM, London

² The 21 LAA pilots are: Greenwich, Hammersmith & Fulham, Dorset, Devon, Kent, Brighton & Hove, Suffolk, Peterborough, Derby, Derbyshire, Telford and Wrekin, Coventry, Wolverhampton, Wigan, Knowsley, Stockton-on-Tees, Gateshead, Barnsley, Sheffield, Doncaster, Bradford

³ The majority of Local Area Agreement Pilot documents are available at: <http://www.idea-knowledge.gov.uk>

⁴ ODPM (2004) *The Future of Local Government: Developing a 10 year Vision*. ODPM, London



- a stronger role for Government Offices.

With regard to national outcomes and priorities and their relationship with the priorities set out by local authorities in their Local Area Agreement, the emphasis will be on delivering national outcomes in a way that reflects local priorities. The Community Strategy, for example, will play a key role in reflecting these local priorities as they reflect the aims set out in specific service plans. In terms of agreeing exactly what sources are involved in the Local Area Agreement, the Government Office (GO) for each region will play a key role in negotiating and 'signing off' each agreement.

Developing the Local Area Agreement

The structure of Local Area Agreements is based around targets related to three main blocks of action:

- children and young people;
- safer and stronger communities;
- healthier communities and older people.

Taking the example of the Children and Young People block of the package, the LAA will be expected to set out their area's contribution toward national priorities for children and young people as well as contributing to local priorities that reflect specific local circumstances. In terms of national outcomes, targets should be related to the five outcomes for children published in the Green Paper for Children⁵, which are:

- being healthy (for example the government has a core focus on reducing child obesity and improving school dinners);
- staying safe;
- enjoying and achieving;
- making a positive contribution;
- economic well-being.

Taking the example of the Safer and Stronger Communities block of the package, a significant sector of this block will be formed from the roll out of the Safer and Stronger Communities Fund, from April 2005. This funding aims to bring together various ODPM funding streams related to wardens, neighbourhood management, community empowerment and liveability together with Home Office funding streams on building safer communities and anti-social behaviour.

The block related to healthier communities and older people will focus on national targets for improving health and reducing health inequalities between those living in the most deprived conditions and the rest of society, especially the elderly population. For example, a core government priority is for people to take responsibility for their own health, especially in preventable health issues such as the killer diseases and cancers related to poor diet, lack of exercise and smoking. The government has an ongoing aim of reducing deaths from coronary heart disease by 40% by 2010. At the local level LAAs represent the opportunity to further develop close working partnerships between local and county authorities and Primary Care Trusts and other strategic partners with the aim of promoting health and reducing health inequalities. A further key objective of the LAA, in respect to health, is to attempt to promote health to those with the most disadvantaged health status. These are groups which appear to have taken little advice in the past, leading to the widening rather than the narrowing of health inequalities.

20 of the 21 LAA pilots will be expected to adhere to the structure of the three blocks when agreeing the funding sources and proposed outcomes of their LAA. However, one pilot, namely Telford and Wrekin have adopted a 'single pot' approach to their LAA meaning that there will be more flexibility in spending funding on agreed local priorities and that, all the funding streams relating to the three blocks will be available to the authority and its partners to spend as they think best.

⁵ HM Treasury (2003) *Every Child Matters*. HMSO, London



Roles within the Local Area Agreement process

a) *The Local Authority and its partners:* Local Area Agreements allow local authorities and their partners within Local Strategic Partnerships, greater freedom and flexibility in finding solutions to local problems. As long as a funding source or initiative relates to central government targets and projected outcomes and relates to children and young people, safer and stronger communities or healthier communities and older people, local authorities will have the flexibility to include whatever funding streams they want within their Local Area Agreement. The LAA will work in tandem with existing Community Strategies, with local Strategic Partnerships expected to further strengthen themselves as a pre-requisite of the LAA process. LAAs will also be expected to accommodate an active role for main public sector agencies such as Primary Care Trusts as well as representatives from the voluntary, community and business sectors.

b) *Government Offices:* Local Area Agreements present an opportunity for the Government Offices (GOs) to strengthen their role and powers. With the onus of LAAs on the local area, GOs have been given a key role in negotiating and agreeing outcomes for LAAs in their region. Each Government Office's Regional Director will oversee a regional relationship team drawn from a range of functional teams within the GO such as education and skills and neighbourhood renewal, in order to assess each LAA in their region and monitor and evaluate them. In the long term it is expected that GOs will oversee the process of agreeing and signing LAAs.

c) *Central Government:* The key role of central government particularly within the pilot LAA process is to ensure agreement is reached within LAAs with regard to national outcomes and for Ministers to sign off in relation with the local authority and its partners the Local Area Agreement.

Core concerns over the Local Area Agreement Process

Several commentators have argued that key concerns exist over the Local Area Agreement process. One of the key concerns revolves around the capabilities of Government Offices⁶. There is concern that Government Offices may not have the capacity and expertise available to successfully manage Local Area Agreements. Local Government Minister, Nick Raynsford, has stated that there will be no hesitation in removing the powers that GOs have in the LAA process if they are not up to the job. A second concern lies with the involvement of the voluntary and community sector⁷. There is concern that LAAs may in effect sideline voluntary and community sector groups from multi agency partnerships, and mean that they are left renegotiating their claims for funds.

A key source of constructive criticism of LAAs is a paper produced by amongst others Urban Forum⁸, which has a particular focus on the voluntary and community sector. As well as concern over the capabilities of Government Offices, this paper's key issue lies within the Safer and Stronger Communities block of the LAA. They are concerned that this block emphasises the 'safer' element at the expense of the 'stronger' with a belief that there is a danger of the block solely concentrating on crime prevention and community safety rather than looking to outcomes measuring social capital and stronger communities. A further concern of this paper was the timescale involved in between announcing the 21 pilot LAAs and the deadline for completing negotiations with central government and Government Offices. This was believed to be unrealistically short and allowed little time for effective community engagement.

⁶ Lorimer, K. (2004) Raynsford warns of LAA takeover. *Local Government Chronicle*, 28/11/2005, p.5

⁷ Niven, R. (2004) Surge to pilot local area deals wins reward for 21. *New Start*, 08/10/2004, p.8

⁸ Making Local Area Agreements work: a VCS perspective is available at: <http://www.idea-knowledge.gov.uk/idk/aio/665848>



Local Area Agreements in practice: a case study of Stockton-on-Tees⁹

Stockton-on-Tees is a borough of contrast with a mixture of busy town centres, urban residential areas and rural villages. The borough is also home to some of the most deprived wards in the country, hence the availability of funding through the Neighbourhood Renewal Fund. The impact in Stockton-on-Tees of Neighbourhood Renewal is positive as a result of increasing levels of local partnership and improvement of local services.

In recent months as a result of several issues affecting the Borough including the piloting of Stockton-on-Tees as one of the 21 Local Area Agreements and the emergence of new regional and sub-regional strategies, Stockton has identified five key policy themes to focus on from 2005 onwards:

- children and young people;
- health;
- community safety;
- economic regeneration and transport;
- liveability (including environment, housing and civic renewal).

Stockton-on-Tees Borough Council welcomes the opportunity to be chosen to pilot the Local Area Agreement because they believe it provides an opportunity for both central and local government to improve the delivery of service and bring about greater efficiency. However, primarily, they welcome the opportunity as a result of believing that increasing focus on local priorities will lead to greater benefits for communities in the longer term. Stockton's Local Area Agreement has four core objectives:

- to help to further improve central/local relationships and find new ways of working in partnerships to deliver shared aims and objectives for local people;
- to provide a 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;

- to simplify the number of funding streams from central government going into the area and to avoid the bureaucracy which is often associated with controlling and monitoring the funding streams;
- a focus on 'what matters' and the rationalisation of funding streams should also help to join-up public services more effectively and allow greater flexibility for local solutions which again should deliver improved outcomes.

In terms of guiding principles for the Stockton LAA the pilot document highlights a number of key arrangements if the agreement is to work successfully. Firstly, the LAA must be seen as integral to the current working arrangements within the Borough and not alienate the effective partnership working already taking place. Secondly, Neighbourhood Renewal Funding has been included in all three blocks of the LAA as a result of the significant challenge in Stockton with regard to regeneration. Thirdly, Stockton recognises that the LAA process is about delivering both local and national priorities and assesses that there needs to be a sensible balance between the two.

In relation to each of the three funding blocks of the LAA, Stockton has attributed a number of schemes, funding measures and partnerships. Taking the example of the Healthier Communities and Older People block, Stockton's LAA sets out the ambitions for improving the health of the local population with a particular onus on the 20% of the population over retirement age. Stockton currently has a number of initiatives related to health with the Health Improvement Partnership setting out local strategies for dealing with avoidable ill-health. The Local Area Agreement provides the opportunity to increase the integration of strategies related to health through pooled resources and to develop further and more extensively the range of strategies available to address ill health. All key relevant health services within the council, as well as the NHS and the Department for Work and Pensions

⁹ Available at: <http://www.idea-knowledge.gov.uk/idk/aio/665877>



are expected to work together within the Local Area Agreement to ensure older people live healthier and happier lives.

Conclusion

Local Area Agreements present the opportunity for local and county authorities as well as LSP's to remove some of the red tape that exists between central and local government as well as attempting to twin both local and national priorities in a coordinated approach to local improvement. LAAs appear to have had a positive response from local authorities with the piloting in March 2005 of 21 such agreements. The expectancy is that a further 40 Local Area Agreements will be allocated in the 2006/07 timeframe.

For further information on this topic please contact:

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