



**Haringey** Council

Agenda item:


**[No.]**

Cabinet

On 24/2/09

Report Title. 2008/09-2010/11 LAA – Refresh

Report of **Sharon Kemp** Assistant Chief Executive PPP&C

Signed : 

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Wards(s) affected: **All**

Report for: **Key**

**1. Purpose of the report (That is, the decision required)**

- 1.1 Haringey's Local Area Agreement is subject to annual review. This year there is a distinct 'refresh' element to the annual review to conclude 'unfinished business' from the initial negotiations and some limited revisions to targets where new evidence is available.
- 1.2 Cabinet are asked to consider the LAA refresh and note that local areas are required to submit their final refreshed LAAs to Government Office on 2<sup>nd</sup> March 2009.

**2. Introduction by Cabinet Member (if necessary)**

- 2.1 I am pleased to propose this refresh of our LAA which is done in light of our positive experience over the last year. We have made good progress in delivering against the partnership's 35 priority improvement indicators and local targets. As a Partnership we must continue to see improvements across the partnership over the coming year. This refresh will ensure the continuing relevance of our LAA to people living and working in Haringey.

2.2 Although the timescales for the refresh are challenging, Haringey is in a good position to negotiate and resolve baseline and targets in time for the start of year two in April 2009. And I welcome the views of Cabinet on the refresh.

### **3. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

3.1. The priority outcomes agreed within the 2008/09-2010/11 Local Area Agreement align to and reflect all five council priorities. They also directly link to the objectives of the majority of the main council strategies.

3.2. The LAA is the main delivery plan for the Sustainable Community Strategy and the outcomes and improvement targets directly relate to achieving the ambitions and priorities within it.

### **4. Recommendations**

4.1. The Cabinet is recommended to approve the refreshed 2008/09-2010/11 Local Area Agreement as set out in appendix 1 for submission to Government Office for London on 2<sup>nd</sup> March 2009 and subsequent ministerial sign off in late March.

4.2. The Cabinet is recommended to consider the following proposed changes to the targets within the LAA:

In response to the Joint Area Review (JAR) findings it is a necessity for Haringey to strengthen safe guarding within our priority outcomes to include:

- NI 59 initial assessments for children's social care; as designated target replacing NI 1 % of people who feel people from different backgrounds get on well (NI 1 will become a local target).
- NI 61 stability of looked after children adopted following an agency decision; NI 62 stability of placements of looked after children – number of moves; and NI 67 child protection cases which were reviewed within the required timescales. These are to become local targets

Other changes include:

- Key Stage 3 targets to be removed from LAA
- NI 127 self reported measure of social care users (local Target) to be removed from LAA
- As an outcome of the economic downturn and the freezing of a number of economic indicators, it is proposed that the stretch target of 'number of people on Incapacity Benefit helped into sustained work is measured as a local indicator.

4.3. The Cabinet is recommended to authorise the Leader (who is also Chair of the Haringey Strategic Partnership) to agree any final revisions required by Government Office for London after the report has been approved by Cabinet on 24<sup>th</sup> February 2009.

## **5. Reason for recommendation(s)**

- 5.1. In response to the JAR recommendations, it is a priority for Haringey to include additional safeguarding indicators within its LAA. The refresh process provides the partnership with the prime opportunity to make the necessary revisions to its designated set of 35 improvement targets and any additions to its local targets.
- 5.2. Within Haringey's LAA a number of designated national indicators and local targets require resolution, where data was previously unavailable. For government purposes, the 'refresh' is primarily concerned with designated indicators (the 35 improvement indicators). It would be opportune, however, for Haringey to consider its local targets at this time also, or to remove them where data measurement and collection issues prevent targets from being set or performance managed.
- 5.3. In addition the refresh provides an opportunity to revise by exception designated targets where new evidence has become available. The partnership is requesting to review a number of Haringey's designated targets in light of the current global economic conditions potentially affecting the partnership's ability to deliver against these.
- 5.4. Twenty two designated national indicators and twelve local targets require resolution or revision as part of the refresh process, and the 2009/10 attainment targets needed to be negotiated and submitted.

## **6. Other options considered**

- 6.1. The LAA refresh is essentially a mandatory requirement for all local areas to complete unfinished business following the implementation of the new style LAAs in 2008/09.

## **7. Summary**

### Background information

- 7.1 Haringey's 2008/9-2010/11 was formally signed off by the Haringey Strategic Partnership and Cabinet in July 2008 and by government ministers in July 2008.
- 7.2 The Local Area Agreement (LAA) facilitates the delivery of the ambitions for Haringey and its residents as set out in the sustainable community strategy. The LAA is now the only vehicle for agreeing targets between local government, their delivery partners and central government.
- 7.3 As set out in Strong and prosperous Communities (2006) and subsequent LAA Operational Guidance, local area agreements are subject to annual review. The

purpose of the review is to identify and address any issues around delivery, including risks and good practice; to help assess and benchmark progress over the three year span of the LAA; and is an opportunity to revise by exception particular targets to reflect changes in local circumstances.

7.4 This year there is a distinct 'refresh' element to the annual review to conclude 'unfinished business' from the initial negotiations and some limited revisions to targets where new evidence is available. All outstanding targets should be resolved ready for year two of the LAA (from April 2009). For government purposes, the 'refresh' is primarily concerned with designated indicators (the 35 improvement indicators). However, the partnership should consider at this time resolving any unfinished business for its local targets also. Local areas are required to submit their final refreshed LAAs to Government Office on 2<sup>nd</sup> March 2009

7.5 Guidance issued for the LAA review and refresh suggests that *any revisions to the LAA need to be approved in accordance with local arrangements put in place by the responsible authority*. Locally the HSP Performance Management Group is overseeing the refresh process on behalf of the partnership. It will be approved by the HSP following Cabinet approval in February.

#### The current position

7.6 Haringey's LAA has 80 targets within it overall. It is made up of 35 designated national indicators; 16 attainment targets and 29 local targets. Of the 198 national indicator set that the council reports to Government on, 59 are within Haringey's LAA.

7.7 The targets that require resolution or revision are identified in Appendix 1 LAA Outcomes Framework (highlighted with an 'R'). These include:

- 22 designated national indicators: NI 1, NI 4, NI 6, NI 15, NI 21, NI 39, NI 40, NI 111, NI 112, NI 116, NI 121, NI 123, NI 125, NI 126, NI 135, NI 140, NI 149, NI 153, NI 154, NI 171, NI 186, NI 187;
- 16 attainment targets for academic year 2009/10: NI 72, NI 73, NI 74, NI 75, NI 83, NI 87, NI 92, NI 93, NI 94 NI 95, NI 96, NI 97, NI 98, NI 99, NI 100, NI 101; and
- 12 local targets: NI 7, NI 119, NI 127 (see paragraph 7.11), NI 155, NI 158, NI 175, DV repeat victimisation stretch target, victim support services for young people, adults achieving a skills for life qualification, adults achieving level two qualification, Haringey guarantee participants with better off calculation, number of people on IB helped into sustain work stretch target (see paragraph 7.15).

7.8 Following the recent Joint Area Review the Council is working with Haringey Teaching Primary Care Trust and the Police to improve services to support children and young people locally. The Improvement Plan is focused on the quality of

practice, performance management, supervision, effective leadership and management oversight. The Community Strategy progress report reaffirms our commitment with a new priority - 'Safeguard children and adults from abuse and neglect wherever possible and deal with it appropriately and effectively if it does occur'. Within the Local Area Agreement NI 60 'core assessments for children's social care' is already a designated target. The partnership is therefore taking the opportunity provided by the LAA refresh to include additional safeguarding indicators as follows:

- NI 59 initial assessments for children's social care, to be included as a designated indicator within the 35 improvement targets, and
- NI 61 stability of looked after children adopted following an agency decision; NI 62 stability of placements of looked after children – number of moves; and NI 67 child protection cases which were reviewed within the required timescales are to be included as local targets.

LAA's may include a maximum of 35 designated improvement targets and an unlimited amount of local targets. In order to include NI 59 as a designated target, Haringey is required to drop one in its place. It is therefore proposed that:

- NI 1 % of residents, who believe people from different backgrounds get on well together, is replaced with NI 59 but retained as a local target.

The HSP Performance Management Group will approve the above proposals on 18<sup>th</sup> February 2009.

7.9 The Secretary of State announced on 14 October 2008 that Key Stage 3 (KS3) National Curriculum tests will not take place from 2009 onwards. As such Government Office for London confirmed on 27/1/09 that 6 KS3 attainment targets: NI 74, NI 83, NI 95, NI 96, NI 97 and NI 98 have been deleted and are to be removed from Haringey's LAA.

7.10 Government Office for London has informed local areas that Ministers have agreed to apply a greater flexibility around a limited set of indicators particularly impacted by the economic down turn. These are referred to as 'frozen' indicators and of these NI 116, NI 153, NI 154, NI 155, and NI 171 are within Haringey's LAA. It is acknowledged that this is because economic and financial uncertainty makes it very difficult and or there may be insufficient data, to finalise ambitious but realistic targets in 2009, for the period up to the end of 2010-11, using these indicators. As such targets based upon these indicators will not be 'locked down' for reward purposes until the final LAA review late in 2009-10.

7.11 NI 127 self reported measure of social care users is a local target within Haringey's LAA. This national indicator is deferred until 2009/10. The consultation proposed that measurement of this target will be based on an annual survey whereby the

question and client group for the survey will change yearly. Performance and target leads have suggested that this will make this target difficult to pre-empt and performance manage as the targets set may not reflect the annual changing circumstances. On this basis it has been proposed that this local target is removed from the Local Area Agreement. The HSP Performance Management Group at its meeting on 3<sup>rd</sup> December 2008 agreed the removal of this target.

7.12 Target Negotiation Briefs for a number of deferred and revised national indicators are still outstanding and as such local areas cannot progress target setting in these instants until confirmed briefs are received. These include: NI 21.

7.13 A number of national indicators are reliant on 'survey data' from Government Agencies which is also outstanding and again local areas cannot progress baseline and or target setting in these instants until confirmed data is received. These include: NI 187.

7.14 NI 125 and NI 126 and NI 149 have outstanding baseline data which GOL has advised will not be available until after the refresh period. Confirmation from GOL is awaited on how to progress these targets with regard to the reward position.

7.15 Haringey currently has 13 stretch targets within the Local Area Agreement, negotiated as part of the 2007/08-2009/10 LAA. If the required stretch is achieved across the 13, a potential reward of £9.6m is awardable. Haringey is requesting to drop its stretch targets on the 'number of long term incapacity benefit claimants assisted into sustained work' as it is unachievable. Communities and Local Government has advised that the decision to drop this lies with Haringey. According to the rules on the performance reward grant this will mean that the council will not be entitled to any reward attached to this target. The maximum amount that could have been awarded is £704,419, but only if the target were to be met. The HSP Performance Management Group will approve the removal of the IB stretch target at its meeting on 18<sup>th</sup> February 2009.

This stretch target has proved to be significantly challenging and to date only 12 long-term IB claimants have been supported into sustained employment out of a target of 180. Haringey is unlikely to achieve this target. This challenge is compounded by the current economic climate, which is acknowledged by the Government. Other London boroughs, including Bromley and Islington, are also struggling with their respective IB stretch targets.

7.16 Target and theme leads were informed of the process for setting and approving all designated and local targets with 'unfinished business' within the LAA through their theme chairs and boards and the appropriate directors and lead members. Target and theme leads have negotiated their respective baselines and three year targets with government departments as set out in Appendix 1 - LAA Outcomes Framework.

### The performance reward grant

7.17 The Performance Reward Grant (PRG) was subject to consultation in August and September 2008. Finalised guidance on this is still to be published, however, the draft guidance suggests that target levels agreed as part of the LAA will be used as a benchmark for calculating entitlement to the PRG. This makes it all the more important for the council and the partnership to be confident with the targets set for its designated national indicators.

7.18 £340 million of Performance Reward Grant (PRG) funding is available nationwide. PRG guidance is expected in February 2009, however, draft guidance suggests that:

- PRG will provide a flexible fund to sit alongside ABG in 2011-13 for successful areas.
- PRG will be calculated based upon average performance across the (up to) 35 LAA improvement targets. These do not include the statutory attainment targets.
- Reward will not be payable if an area's average performance is below a minimum level (60%).
- The baselines and target levels used to calculate reward grant will be confirmed in March 2009 for most indicators.
- Claims are payable in two instalments during 2011-12 and 2012-13, each with a 28% capital element.
- Each area will be allocated a share of the £340m fund, based on an area's share of local government funding (Area's will receive approx. 0.54% of their 2006/07 Net Budget Requirement (NBR) plus Dedicated Schools Grant less any parish precepts).

7.19 The refresh process 'locks down' targets for PRG purposes, if the government and local area agree that a target cannot be finalised until the 2010 refresh then this target will not be included when calculating reward entitlement. 'Frozen' indicators will be excluded from this process.

7.20 The annual refresh of the LAA does not in itself create any financial implications for the authority or Partnership; however, should the re-negotiation of some of the key targets be unsuccessful this will impact on any eventual performance reward grant.

7.21 In addition to PRG, the Working Neighbourhoods Fund reward scheme of £50m nationwide will also be available to WNF areas only. Locally areas will be advised of the terms of this proposed scheme separately from the PRG scheme.

### **8. Chief Financial Officer Comments**

8.1. Should the requested revisions to targets not be agreed this is likely to negatively impact on the level of performance reward grant obtained at the end of this LAA as the grant is calculated against achievement of targets.

8.2. If delays to the finalisation of some targets mean they have to be excluded from the PRG calculation (ref. paragraph 7.19) it is expected that government will reduce the overall PRG available to distribute accordingly.

8.3. Given that the PRG is only payable after the LAA ends and is fully dependent on outcomes/performance, no budget assumptions have been made about the level of grant income or indeed how to allocate it.

## **9. Head of Legal Services Comments**

9.1. When making the decision on the “LAA refresh” Members must have regard to the provisions of the Haringey Sustainable Community Strategy and Government Guidance as mentioned in the body of this report.

9.2. When exercising their other functions the Council and its partner organisations are all under a duty to have regard to every relevant local improvement target specified in the LAA.

9.3. As a result of recent Regulations, the Government has clarified that the Council powers relating to the preparation and revision of the LAA are “Local Choice Functions”, that is to say, the Council has discretion as to whether these functions are to be exercised by the Cabinet or full Council or a non-executive Committee. Since this is not expressly covered in Haringey’s Constitution, a report will be submitted to the 23 February meeting of the full Council recommending that the LAA functions should be exercised by the Cabinet and the Constitution amended to provide for this. This would be appropriate given that the Cabinet has responsibility for service delivery relating to the great majority of target outcomes where Haringey Council is the lead partner. The Cabinet will then be able to take the necessary decisions, without reference to any other Council body, at the full Cabinet meeting on 24 February.

## **10. Head of Procurement Comments –[ Required for Procurement Committee]**

10.1. Not applicable

## **11. Equalities & Community Cohesion Comments**

11.1. The Local Area Agreement improvement targets will be of particular benefit to disadvantaged communities and population groups across the borough especially in those wards and super output areas that have higher levels of deprivation. An equalities impact assessment was undertaken in 2008 to ensure that there are no adverse impacts to any particular population group.

11.2. Locally the Area Based Grant (ABG) is utilised by the HSP to support the delivery of the LAA and partnership priorities. A review of the ABG was carried out in 2008 and the new COMPACT Assessment Framework was used to provide



accountability and transparency, with the voluntary sector invited to provide independent scrutiny to the process.

- 11.3. Equalities and community cohesion continue to be key partnership priorities addressed within the current local area agreement as designated national indicators, and as such ABG funding contributes to the delivery and achievement of these outcomes.

## **12. Consultation**

- 12.1 The LAA is based upon the objectives and priorities contained within the Community Strategy which were developed through extensive involvement and consultation with resident, organisations and other stakeholders. The HSP and its thematic boards built on this consultation to inform the selection of national indicators and subsequent negotiations with central Government.
- 12.2 During the initial development stages of the LAA in 2008 partners were aware of and acknowledged their responsibility for ownership of targets within their area. The HSP also made a conscious decision to select indicators of priority to the partnership as a whole and not those for which a single agency had sole interest and influence. This helped to create the “sign-up” to joint cross-partnership commitment.
- 12.3 The refresh has provided a further opportunity for the HSP and its thematic boards to again endorse their commitment to the priority outcomes agreed within the LAA, to refine target setting and resolve all outstanding unfinished business within their remit.
- 12.4 Target leads have consulted the relevant services and key partner agencies on the revised targets put forward to promote ownership and ensure they are achievable and will provide positive benefits. In addition to this a clear process for the sign off for targets is in place to ensure approval has been sought by the lead officers of the relevant directors, lead members and HSP theme board chairs.

## **13. Service Financial Comments**

- 13.1 The annual refresh of the LAA is a requirement set out in CLG documents. It does not in itself create any financial implications for the authority or Partnership however; if the re-negotiation of some of the key indicators set out in Appendix 1 is unsuccessful this will impact on any eventual performance reward grant.

## **14. Use of appendices /Tables and photographs**

- 14.1. Appendix 1 – LAA Outcomes Framework – year one refresh

<p><b>15. Local Government (Access to Information) Act 1985</b></p>

<p>15.1. Letter re Local Area Agreement Approval (22/7/08) from Rt Hon Hazel Bears MP to Chief Executive</p>
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