

Agenda item:

[No 1

CABINET

On 23RD FEBRUARY 2010

Report Title. 2008/09 -2010/11 Local Area Agreement Year 2 Refresh

Report of **Wayne Longshaw, Assistant Chief Executive**

Signed :

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Wards(s) affected: **All**

Report for: **Key**

1. Purpose of the report

- 1.1. Haringey's Local Area Agreement (LAA) is subject to annual review. The review process focuses on delivery; however, it also provides an opportunity to refresh certain targets.
- 1.2. Cabinet are asked to consider the LAA refresh and note that the deadline for local authority adoption of the refreshed LAA is 12th March 2010. Ministerial approval of refreshed LAAs is expected on 31st March 2010.
- 1.3. For government purposes, the 'refresh' is concerned with designated indicators (the 35 improvement indicators).

2. Introduction by Cabinet Member

- 2.1. I am pleased to propose this year's refresh of our LAA which resolves targets from last year and helps towards us achieving the performance reward grant. We are making 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.

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 medium term 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. Cabinet is recommended to approve the refreshed (year 2) 2008/09-2010/11 Local Area Agreement as set out in appendix 1 for local adoption and submission to Government Office for London on 12th March 2010 and subsequent ministerial sign off in late March.

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

Revision of targets for the economic indicators which were 'frozen' last year as a result of the economic downturn. These include:

- NI 116 - Proportion of children in poverty;
- NI 153 - Working age people claiming out of work benefits;
- NI 154 – Net additional homes provided; and
- NI 171 – New business registration rate.

Setting of targets for the two nationally deferred indicators:

- NI 125 Achieving independence for older people
- NI 149 Adults in contact with secondary mental health services

Removal of NI 112 Teenage conception rate from the overall reward calculation.

Technical revisions to targets where data was confirmed post ministerial approval in April 2009; including six place survey targets and two other targets:

Place survey targets

- NI 1 - People from different back grounds who get on well together;
- NI 4 - People who feel they influence decisions locally;
- NI 6 - Participation in volunteering;
- NI 21 - Dealing with local concerns about ASB;
- NI 119 - Self reported measure of peoples health/ wellbeing;
- NI 140 - Fair treatment by local services;

Other targets

- NI 15 – Serious violent crime rate;
- NI 186 - Per capita CO2 omissions.

Setting of local targets for NI 175 – Access to services and facilities by public transport; and the two local skills targets for the final year of the LAA.

Inclusion of attainment targets for 2010/11. These will be confirmed by DCSF post ministerial sign off.

4.3. 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 post approval by this Cabinet meeting.

5. Reason for recommendation(s)

5.1. Within Haringey's LAA a number of designated national indicators and local targets require resolution, where data was previously unavailable or has been confirmed since the last refresh. 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.

5.2. In addition the refresh provides an opportunity to revise by exception designated targets where new evidence has become available. As such the partnership is reviewing a number of Haringey's designated targets in light of the current global economic conditions potentially affecting the partnerships ability to deliver against these.

5.3. Thirteen designated national indicators and five local targets require resolution or revision as part of the refresh process, and the 2010/11 attainment targets need to be submitted to DCSF and included in the LAA.

6. Other options considered

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

7. Summary

Background

7.1. Haringey's 2008/9-2010/11 LAA was initially signed off by Cabinet and Full Council, and by Ministers in July 2008. The LAA underwent its year one refresh and was signed off by council's Cabinet on 24th February 2009 and by Ministers in April 2009.

7.2. The LAA cuts across all Sustainable Community Strategy (SCS) outcomes. It is the medium term delivery plan for the Sustainable Community Strategy and the outcomes and improvement targets directly relate to achieving the ambitions and priorities within it.

7.3. The LAA is the only vehicle for agreeing targets between local government, their delivery partners and central government. It incorporates a duty for named partners to cooperate, a duty to engage and inform residents and an enhanced role of scrutiny.

7.4. The Performance Reward Grant (PRG) available to Haringey for the 2008/09-2010/11 LAA is £1.977m. The year 1 refresh 'locked down' targets for PRG purposes, with the exception of the 'frozen' economic targets and the deferred targets which will not be included when calculating reward entitlement. The attainment targets are also not included within PRG calculations.

7.5. As set out in LAA Operational Guidance, revisions to the LAA need to be approved in accordance with local arrangements put in place by the responsible authority. On 23rd February 2009 Full Council approved that LAA functions should be exercised by the Cabinet.

Current position

7.6. The annual review provides an opportunity to refresh certain targets, including:

- Renegotiation of the economic 'frozen' targets, see section 7.7;
- Nationally deferred indicators from last year, see section 7.8;
- NI 112 Teenage conception rate - local areas are given the option to remove this target from the reward calculation, see section 7.9;
- Technical revisions to targets where data was confirmed post ministerial approval in April 2009 i.e., place survey indicators, see section 7.10.

Appendix 1 lists Haringey's refreshed targets and appendix 2 is the updated outcome framework of the 2008/09-2010/11 LAA.

7.7. Government announced last year that a number of economic indicators would be given greater flexibility due to global economic conditions. These indicators, referred to as 'frozen' targets were exempt from the 'lock down' of targets for performance reward grant purposes; thus allowing local areas to review and revise these targets one year on in light of the emerging evidence and impact of the recession.

- *NI 116 proportion of children in poverty* –a revised target negotiation brief was published on 15/1/10, and the associate data released on 27/1/10. The target lead is in discussions with GOL and revised targets are still to be proposed. Local areas are advised to continue using the proxy indicator and measurement for the remainder for the LAA period with the option to

renegotiate targets using a 'narrowing the gap' approach.

- *NI 153 working age people claiming out of work benefits* - revised targets maintaining the gap to the London average were approved by GOL on 21/1/10.
- *NI 154 net additional homes provided* –revised targets were submitted to GOL on 11/12/09 and approval is awaited. The revised targets are based on current projections and the slow down in the market.
- *NI 171 new business registration rate* – revised targets were approved by GOL on 10/2/10. The revised targets maintain the gap to the London rolling average.

7.8. Government announced last year that a number of indicators within its 198 National Indicator Set were still deferred due to data issues nationally. Local areas were advised that 'deferred' indicators sit outside of the reward calculation process as it was not possible for partnerships' to negotiate and 'lock down' these targets. Local areas can set their own targets for the remaining period of the LAA to enable performance management; no formal negotiation with government office required.

Targets have been set and submitted to GOL, for information purposes only, for:

- NI 125 Achieving independence for older people
- NI 149 Adults in contact with secondary mental health services

7.9. Haringey received notification from GOL on 6/1/10 informing on the option available to remove NI 112 (teenage conception rate) from the overall reward calculation. Government has advised that as Haringey has already negotiated the year 3 target for NI 112 there is to be no further discussion regarding the actual targets. However, it is agreed that where an area believes that it will not meet the year 3 LAA target for N112 they will be allowed to remove it from the reward calculation. If this target is removed from the reward calculation there will be no impact upon the overall maximum reward available to the area. Haringey must however provide assurances that this indicator will remain a priority for the partnership. The Children's Trust PMG agreed on 13/1/10 to remove this target from the overall calculation.

7.10. The data for a number of the indicators within the LAA was confirmed post ministerial sign off in April 2009. In these instances the technical revisions should be applied without the need to renegotiate the targets with government. This affects the indicators reliant on the 'place survey', which was published in July 2009, and indicators where official baseline is now available or revised.

The review guidance states that areas should adjust place survey targets in line with the published baselines and confidence intervals. This has been done. The place survey indicators include:

- NI 1 - People from different back grounds who get on well together;
- NI 4 - People who feel they influence decisions locally;
- NI 6 - Participation in volunteering;
- NI 21 - Dealing with local concerns about Anti-social behaviour;

- NI 119 - Self reported measure of peoples health/ wellbeing;
- NI 140 - Fair treatment by local services;

Technical revisions have also been made to:

- NI 15 – Serious violent crime rate – baseline included and the target is now presented as a rate;
- NI 186 - Per capita CO2 omissions – baseline revised.

7.11. The data sets for NI 175 Access to local services and facilities by public transport are now available, and as such the council and NHS Haringey are in the process of agreeing targets for the various strands of this indicator.

7.12. Haringey included two local skills targets within its LAA , these are:

- Adults achieving a Skills for Life qualification and entered employment and those gaining a qualification in the workplace; and
- Adults achieving a full level two qualification and entered employed and those gaining a qualification in the workplace do not have 3rd year targets agreed. These are:

The lead agency for both of these targets is the council; however, the role of the Learning Skills Council (LSC) for both of these targets has been instrumental. The LSC enabled the central coordination of data across all the providers in the borough, holding partners to account for delivering their individuals aspects of the collective targets. The LSC will no longer exist as of 1st April 2010.

Discussions are taking place between College of Haringey Enfield and North East London and Haringey Adults Learning Service to agree how best to measure these targets in the future. Targets for 2010/11 will be set in due course.

7.13. The 2007/08-2009/10 LAA stretch targets come to an end in March. The majority of these remain as local targets for 2010/11.

Performance reward grant

7.14. The government has set aside £340m Performance Reward Grant (PRG) nationally to provide a continued financial incentive. The PRG will encourage and recognise improvement over the course of the LAA and provide a flexible fund to sit alongside Area Based Grant (ABG) during 2011-13 for successful areas.

7.15. The PRG is allocated to local areas based upon the area's share of local government funding, with each receiving approximately 0.54% of their 2006-07 net budget requirement (NBR) plus dedicated schools grant less any parish precepts. The indicative Performance Reward Grant (PRG) available to Haringey is £1.977m.

- 7.16. Reward will be calculated based upon average performance across the up to 35 designated and agreed LAA improvement targets. These do not include the statutory Department for Children, Schools and Families (DCSF) targets or purely local, non-designated targets.
- 7.17. The year 1 refresh 'locked down' targets for PRG purposes, with the exception of the 'frozen' economic targets which are being revised as part of the year 2 refresh. The nationally 'deferred' targets will not be included in reward calculations; this also applies to targets such as NI 112 which government have given local areas the option to remove from reward calculations. If a target is discounted from the reward calculation there is no impact upon the overall maximum reward available to the area. Subject to confirmation by GOL, 32 targets will remain in the overall calculation.
- 7.18. Reward calculations are based on a standard formula that is used to calculate a reward score for each indicator. These reward scores will then be aggregated and the result divided by the number of targets eligible for reward, producing an average reward score. Reward will be payable for scores averaging at 60% and above. No reward will be payable to an area for scores averaging below 59.9999%. The total reward will be payable for a score of 100%.
- 7.19. The table below indicates the potential reward payable in relation to average scores achieved

Average score achieved	% PRG payable
60%	40%
70%	55%
80%	70%
90%	85%
100%	100%

- 7.20. Reward will be paid in two instalments: early in 2012 and again in 2013. The reward payable will be 72% revenue and 28% capital.
- 7.21. 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.

8. Chief Financial Officer Comments

- 8.1. The Chief Financial Officer notes the proposals for the Year 2 refresh as outlined in the report and concurs that the proposals themselves do not have any direct financial implications for the authority.

8.2. As outlined in paragraph 7.15 the maximum PRG available to Haringey at the end of this LAA is £1.977m with the actual level dependent on final performance. The performance monitoring of these LAA targets is integrated within the Council's performance framework which should highlight the need for targeted interventions if felt appropriate.

9. Head of Legal Services Comments

9.1. The revision of the LAA for submission to central government is a "local choice function" that is allocated to the Cabinet in the Council's Constitution. Under the Constitution, the Cabinet can authorise the Leader to agree any final revisions to the revised LAA required by central government.

10. Head of Procurement Comments

10.1. Not applicable

11. Equalities & Community Cohesion Comments

11.1. The Local Area Agreement improvement targets are 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 on the lifetime of the 2008/09-2010/11 LAA 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 council and the HSP to support the delivery of the LAA and partnership priorities. In 2008/09 the HSP thematic boards commissioned and or confirmed two year programmes for 2009/10 and 2010/11 to provide security and certainty to partners and providers. To support this, a review of the ABG was carried out in 2008 and was COMPACT Proofed using the COMPACT Assessment Framework.

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 residents, 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 partnership working.

12.3. The annual refresh has provided 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 deliver positive benefits.

13. Service Financial Comments

13.1. The annual refresh of the LAA is a requirement set out in CLG documents and statutory guidance. It does not in itself create any financial implications for the authority or the 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 National indicators and local targets to be refreshed;

14.2. Appendix 2 – LAA Outcomes Framework – year two refresh.

15. Local Government (Access to Information) Act 1985

15.1. 2009/2010 LAA Review Advice Note for Government Offices; November 2009