

Meeting: Enterprise Partnership Board

Date: 11 June 2008

Report Title: Local Area Agreement Update

Report of: Martin Tucker – Regeneration Manager (Employment & Skills)

Summary

- Negotiations over National Indicator 153 (Working age people claiming out of work benefits in the worst performing neighbourhoods) have completed with a reduction of 4.7 percentage points over 3 years agreed with the Government Office for London and DWP.
- Data for National Indicator 171 (new business registration rate) will not be available until October 2008 at the earliest. Target negotiations for this indicator have therefore been delayed until these data are available.
- A target to reduce the number of children living in families in receipt of work benefits (National Indicator 116) from 36.4 per cent at April 2007 to 30.5 per cent April 2011 has been submitted to GoL.
- It is proposed to replace to the local indicators on improving the take up of working and child tax credits with an indicator on Haringey Guarantee participants receiving a better off calculation.
- New performance management arrangements are being developed for the delivery of the Local Area Agreement and a number of workshops have organised in June to facilitate the implementation of these arrangements.

Recommendations

1. That the Enterprise Board notes the progress being made in developing and implementing Haringey refreshed Local Area Agreement from June 2008.
2. That the Enterprise Board agrees to the replacement of the two LAA local indicators related to increasing the take up of tax credits with one based on Haringey Guarantee participants receiving a better off calculation.

Financial/Legal Comments

N/A

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1. Introduction

1.1 This paper updates the Enterprise Board on the progress being made on developing and implementing Haringey's Local Area Agreement (LAA) from June 2008.

2. LAA national indicators

2.1 There are two LAA national indicators (NIs) that the Enterprise Board will be responsible for from June 2008:

- Working age people claiming out of working benefits in the worst performing neighbourhoods (NI 153)
- New business registration rate (previously VAT registration rate) (NI 171)

2.2 Negotiations over the target for NI 153 have been completed with the Government Office for London (GoL) and Haringey (HSP) agreeing a 4.7 percentage reduction in the out of work benefits claim rate over the three years 2008/09 to 2010/11. Haringey initially proposed a lower reduction but feedback received from GoL is that the Department for Work and Pensions (DWP) would expect an improvement target significantly higher given: that the DWP estimates a 'steady state' benefit claim rate reduction of 2.3 percentage over the next three years; the forthcoming welfare reforms; and the borough's £23m three year Working Neighbourhoods Fund (WNF) allocation. The final improvement target was the minimum DWP would accept

2.3 The data used to measure NI 171 will not be available until at least October 2008. This is because the Office for National Statistics (ONS) is changing the way it measures business activity. Previously this was based solely VAT (Value Added Tax) registrations but ONS will now also measure the number of businesses registered for VAT and PAYE (Pay As

You Earn). It is expected that this will help to improve the coverage of small businesses. For this reason negotiations over the target for this indicator will be delayed until these data are available.

2.4 Related to the negotiations over NI 153 and NI 171 is the £50m reward grant available to areas in receipt of WNF. Each eligible local area will be expected to agree up to 5 indicators with the relevant Government Office and performance against these indicators will be used to determine the local area's share of the reward grant. Negotiations over these 5 indicators have yet to begin but the Enterprise Board will be consulted and kept informed about the selection of these indicators.

2.5 There are two NIs that will be the responsibility of the Children and Young People's Strategic Partnership Board (CYPSPB), which the Enterprise Board will receive regular progress reports on:

- Proportion of children in poverty (NI 116)
- 16 to 18 year olds who are not in education, employment or training (NEET) (NI 117)

2.6 NI 116 is primarily based on the proportion of children living in households with equivalised (taking into account household size and composition) income 60 per cent below the median. However, as these data are not yet available at local authority level an interim measure based on the number of children who live in families in receipt of key benefits (Job Seekers Allowance, Incapacity Benefit, Income Support and Pension Credit) will be used. At the time of writing this report a target to reduce the proportion of children living in families in receipt of key benefits from 36.4 per cent at April 2007 to 30.5 per cent at April 2011 had been submitted to GoL. Although the CYPSPB are leading on the negotiations over the target for this indicator, officers from the Council's Economic Regeneration team are involved and the Enterprise Board will be informed of the final outcome of these negotiations.

2.7 NI 117 is a current LAA stretch target and the target to reduce the proportion of NEETs (Not in Education, Employment or Training) in the borough to 10.4 per cent by March 2010 will be rolled into the refreshed LAA. However, there will need to be negotiations over an extended target to cover 2010/11.

3. LAA local indicators and stretch targets

3.1 As well as the two NIs, the Enterprise Board will be responsible for a number of local indicators that will also be part of Haringey refreshed LAA from June 2008:

- Number of eligible individuals supported into employment through the Haringey Guarantee taking up Working Tax Credit
- Number of eligible Haringey Guarantee participants taking up Child Tax Credit

- Adults achieving a Skills for Life qualification and entered employment and those gaining a qualification in the workplace
- Adults achieving a full level two qualification and entered employed and those gaining a qualification in the workplace

3.2 Despite the efforts of Job Centre Plus it has proved impossible at present to gain access to the necessary data that will measure performance against the two local indicators around the take up of tax credits, not least because of the various central government data security reviews currently taking place. Therefore it is proposed that the Enterprise Board agrees to the withdrawal of these indicators and the inclusion of the following replacement indicator:

- Number of registered Haringey Guarantee participants with a completed better off calculation

3.3 The BOC is a simple way of illustrating to a person how much better off they would be in work with the right combination of earnings and welfare support. This calculation is something that can be carried out for all people who are supported by the Haringey Guarantee and it has been established that data to support this indicator can be derived from the processes in place to monitor the delivery of the Haringey Guarantee.

3.4 Work is ongoing through the Learning and Skills Council to determine the baselines and targets for the two local skills indicators.

3.5 The current LAA stretch targets will remain the same and will be rolled into the refreshed into the new LAA from June 2008.

4. LAA workshops

4.1 A number of theme board workshops were held in March to help determine the practical measures that will need to be undertaken to deliver Haringey's LAA. The Enterprise Board's workshop was held on 20 March and the discussions that took place have influenced the development of the Haringey Guarantee action plan and future business support and enterprise activity. This future work programme will be presented at this board meeting.

4.2 A report on the theme board workshops is included in the agenda pack for this board meeting.

5. Performance management

5.1 The performance management arrangements in place to deliver Haringey's refreshed LAA are being developed and this will result in quarterly performance and finance reports being presented at the Enterprise Board, setting out progress towards meeting the key enterprise related LAA targets. Officers from the Council's Economic Regeneration team will be attending workshops in early June, which will set out the specific performance management arrangements. The outcome of these workshops will be reported to the Enterprise Board.

6. Story of place

6.1 The story of place, which will underpin the priorities in Haringey's new LAA, has now been agreed by Full Council, the HSP and GoL.