



Report to Cabinet

Subject **Local Area Agreements**

Date **11th July 2005**

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1. Purpose of the Report

To outline the current situation with respect to Local Area Agreements.

2. Information

Local Area Agreements (LAAs) were originally reported to Cabinet on the 13th January 2005 and that report outlined the initial thinking behind LAAs. Essentially there are four blocks;

Children and Younger People
Safer and Stronger Communities
Healthier Communities and Older People
Economic Regeneration

The latter block was added as part of the Phase II process. The intent is that LAAs bring together many different funding streams into a smaller number of pots with more flexibility on spending within those pots. In some pilots there was just a single pot to explore maximum spending flexibility, another 13 will be piloted in Phase II. LAAs are intended to change the way that local authorities and their partners relate to each other and provide greater flexibility to meet local priorities, not just Central Government priorities.

Subsequently agreement was reached for the submission of a pilot bid on a countywide basis albeit that Gedling also wished to see a more thematic approach to the conurbation. This reflects the impact of the conurbation both in terms of the problems experienced and the need to develop conurbation based solutions. It is increasingly being recognised by the districts that real differences exist between the needs of northern communities and those in the conurbation. For example the city is clearly the economic driver for the south Nottinghamshire area just as urban lifestyles present different crime and disorder issues for the north and south Nottinghamshire authorities. It is important that all parties recognise

this in any agreement and that they do not focus on the desire for a countywide agreement without recognising the potential for an agreement that provides both a conurbation and countywide approach.

The County Council have recently been informed that the bid has been successful. It appears that some 66 pilot bids have been approved and that all relevant parties will have to have reached and signed an agreement by April 2006. A further 63 LAAs will then be agreed for those upper tier authorities not covered by the Phase I and II pilots. Although classed as pilots it would appear the intent is to roll out the LAA programme so that by April 2007 every local authority is covered by an LAA.

It is clear that the Government is attaching increasing importance to developing LAAs. They are seen as being about the things that matter to the general public. Perhaps as importantly they are seen as a means of addressing the two tier issue as well as central and local government relationships. The general indication seems to be that where two tiers are seen to work, and LAAs are likely to be the key measure of this, then local government reorganisation is not on the agenda. This effectively means that for both districts and counties there is a mutual interdependence. A failure to reach agreement will be as damaging to both parties as either one and as such collaboration rather than confrontation is key to mutual success.

This is in fact a key message coming out from Central Government. This is being repeated both in the context of LAAs and in terms of the new Use of Resources and efficiency (the Gershon agenda). Those authorities that can collaborate with each other and other key players are more likely to succeed and be rewarded. Those unable or unwilling to do so face poor CPA scores, increased inspection and ultimately, special measures.

It also appears that where LAAs have been successfully negotiated and agreed then there are tangible benefits to the participating organisations as well as to local residents. There have been significant reductions in the number of performance indicators that need to be collated and measured for the relevant funding streams, effectively reducing the administrative burden on those local authorities, particularly those that benefit from a diverse number of funding streams.

All the available evidence indicates that there are real benefits for taking forward the development of a LAA within the County. The County Council is proposing a meeting in September 2005 to initiate this action but it may be appropriate to initiate earlier meetings with the County Council and the other south Nottinghamshire conurbation districts to assist this process and tease out the approach to such issues as subsidiarity, governance and the conurbation. The Government has still not clarified its thinking on City-regions in relation to LAAs and Core Cities and as such it is possible that the LAA approach may become more flexible in the future in this respect.

This would allow time for such issues to be considered without slowing down the overall process and potentially jeopardising the final agreement.

3 Resource Implications

No additional resources are required to take forward LAAs but there will be a commensurate decrease in capacity to develop and action other initiatives. At present it is considered that the long term benefits to residents and the Council outweigh this potential loss of capacity.

4 Recommendation

Members are asked to agree in principle that

- The Council works with the County Council and other partners on the development of the LAA,
- Officers ensure appropriate structures for governance are developed,
- Officers progress the conurbation theme as part of the countywide approach