

WIRRAL COUNCIL

CABINET - 26 JULY 2007

REPORT OF THE DEPUTY CHIEF EXECUTIVE / DIRECTOR OF CORPORATE SERVICES

LOCAL AREA AGREEMENT UPDATE**Executive Summary**

The purpose of this report is to provide Members with an update of progress in relation to the development of Wirral's Local Area Agreement (LAA).

1. Background

- 1.1 In 2005 Wirral was successful in becoming a second round local area to adopt a LAA. The agreement was formally signed off in March 2006 and implementation began on April 1st 2006.

2. 2006/07 Annual Review

- 2.1 In June 2007, Government Office North West conducted an annual review of Wirral's LAA to gauge the extent to which the local area agreement has made a difference in delivering genuinely sustainable communities through better outcomes for local people, improving relations between central and local government, enhancing efficiency and strengthening partnership working.

- 2.2 The review established the following performance summary for Wirral's 2006/07 LAA:

| Block | On target | Not on target | No information provided | Not reportable 06/07 | Block Total |
|--|------------------|----------------------|--------------------------------|-----------------------------|--------------------|
| Children and Young People | 16 | 15 | 3 | 13 | 47 |
| Economic Development and Enterprise | 2 | 1 | 3 | 2 | 8 |
| Healthier Communities and Older People | 24 | 14 | 1 | 3 | 42 |
| Safer and Stronger Communities | 15 | 18 | 5 | 6 | 44 |
| Totals | 57 | 48 | 12 | 24 | 141 |
| % | 40% | 34% | 9% | 17% | - |

- 2.3 The process for the annual review included a meeting between GONW colleagues and Wirral's local area agreement programme board to discuss the performance of Wirral's LAA and the additional support required to deliver Wirral's LAA. Further to this meeting a report will be submitted by GONW to central government to inform of the progress Wirral is making towards delivering the high level outcomes within the LAA. This report will outline key areas of success and the key risks within Wirral's LAA. Block leads have been asked to respond to the LAA programme board in September regarding the actions that are being taken to address these risks.

A copy of the annual review report will be circulated to Cabinet members on receipt from Government Office.

- 2.4 Wirral's local area agreement grant allocation for 2006/07 was £3,550,107. This comprised of a number of formerly separate grants, which were 'pooled' into a single agreement covering up to four activity 'blocks'. In 2006/07 Wirral's LAA had pooled funding in only two of the blocks; Children and Young People and Safer and Stronger Communities. There was no pooled funding within the Healthier Communities and Older People and Economic Development and Enterprise blocks. Under the terms of the LAA a maximum carry forward of funding of up to 5% of the total pooled allocation is allowed between years.
- 2.5 The audited 2006/07 financial performance of the Wirral LAA is shown within the table below:

| Block | 2006/07 Allocation | 2006/07 Outturn | Variance |
|--------------------------------|-------------------------------|----------------------------|------------------|
| | £ | £ | £ |
| Children and Young People | 2,127,575 | 2,000,198 | (127,377) |
| Safer and Stronger Communities | 1,422,532 | 1,407,142 | (15,390) |
| <u>Total</u> | 3,550,107 | 3,407,340 | (142,767) |

The underspend outturn variance was in the main a result of certain grants within the Children and Young People block running over an academic year rather than over a financial year. The outturn was within the 5% carry forward threshold and will be utilised during 2007/08.

3. 2007/08 LAA

- 3.1 All existing local area agreements were required to undergo an annual refresh, to reflect the key changes in the new guidance, in particular, the automatic pooling of a number of funding streams from 2007/08. Wirral took the opportunity during the refresh process to examine the partnership priorities, outcomes, targets, funding streams and enabling measures, ensuring that they remain fit for purpose. The refresh of Wirral's LAA has been managed within the block working group structures, led by each block lead. This process has involved ensuring a robust needs analysis had

been conducted for each priority area within the LAA, and that the outcomes and indicators have been selected to ensure there is a clear focus on addressing the priorities contained within the refreshed agreement.

- 3.2 The refreshed agreement was submitted to Government Office North West (GONW) on 20th December 2006 and commenced implementation on 1st April 2007. Through the monitoring and attainment of targets within this refreshed agreement it is anticipated we will achieve the high level outcomes within Wirral's LAA.
- 3.3 As part of the 2007/08 LAA, three crosscutting themes have been identified by the LAA programme board for consideration by the four LAA blocks. These themes are alcohol harm, child poverty and employability. A workshop was held in March 2007 which was attended by a range of Wirral Council officers and partners from each of the four block working groups to discuss new ways of working. Following this workshop theme leads have been appointed to drive this work forward. Blocks have been asked to consider how to develop this work to ensure joint partnership working across the LAA blocks to deliver better outcomes against these theme areas.
- 3.4 The authority received details of the 2007/08 Grant Determination overall block allocations on 30th April 2007. These however have been subject to a number of changes in the year. The authority received revised draft figures on 6 July 2007. These may however be subject to further change. The block total details from both of these notifications are shown below:

| Block | 2007/08 Original Allocation | 2007/08 Revised Allocation |
|--|------------------------------------|-----------------------------------|
| | £ | £ |
| Children and Young People | 5,738,447 | 4,984,747 |
| Economic Development and Enterprise | 0 | 475,911 |
| Healthier Communities and Older People | 0 | 0 |
| Safer and Stronger Communities | 2,034,446 | 2,034,445 |
| Neighbourhood Renewal Fund | 7,744,467 | 7,744,467 |
| <u>Total</u> | 15,517,360 | 15,239,750 |

- 3.5 A number of additional grants have been pooled within the LAA during 2007/08; the most significant being the Neighbourhood Renewal Fund. The revised grant determination has switched some Children and Young People grant to outside the pooled fund and brought in a Disadvantage Areas Fund grant into the Economic Development block. Regular financial monitoring reports on the progress against the above allocations will go to the LAA programme board.

3.6 The LAA will also receive a LAA pump priming grant of £1,063,100. This grant will be paid in three annual instalments and can be used at any time during the life of the LAA to assist in achieving stretch targets. The LAA programme board is monitoring the use of this grant.

4. Proposed Changes to Local Area Agreements

4.1 In October 2006, the Department for Communities and Local Government released the much anticipated local government white paper: *Strong Prosperous and Communities* which illustrated government thinking on devolving power to local communities and the shaping of future performance management frameworks, including LAAs. In February 2007, DCLG issued a further paper: *Developing the future arrangements for local area agreements* which provided clearer proposals on the future of LAAs, with an outline timetable for implementation. It is anticipated that new style LAAs will be in place for April 2008.

4.2 These proposals indicate that from 2008 LAAs will feature 18 statutory DfES targets and 35 improvement targets to be negotiated with GONW. These targets will be drawn from a rationalised single set of 200 national reporting indicators which will be introduced to form the new Comprehensive Area Assessment from April 2009. Additional local indicators can be identified by local authorities and its partners through the area's Sustainable Community Strategy.

4.3 The current six monthly performance reviews of LAAs will be replaced by a single annual review. Internal reporting arrangements will still be in place and Wirral will continue to provide quarterly reports to the LAA programme board and to the wider Local Strategic Partnership.

4.4 A further proposal is to change the 'Economic Development and Enterprise' theme to the 'Economic Development and Environment' theme.

4.5 There are significant changes proposed to the financial structure of LAAs from the existing area based funding arrangements linked to specific targets within the LAA outcomes framework. Future funding arrangements will use a variety of funding streams to deliver these targets including mainstream funding and formula grants. Spend will be determined locally regarding how much funding is used to support the delivery of local and national targets.

4.6 Funding will be determined by a hierarchal structure. Monies will be provided as mainstream funding where ever possible through revenue support grant (RSG), single capital pot or mainstream budgets. Where this is not possible, funding will be provided through area based funding grant. It may be the case that some funding streams will remain outside those listed and will be ring fenced for particular activities. but it is anticipated that this will be limited. Full guidance is expected after the comprehensive spending review 2007.

4.7 The LAA programme board will agree the 35 improvement targets for Wirral's 2008/08 LAA, and work is currently underway with the block working groups to establish detailed analyses of need for priority areas to be considered by the board. An away day session will be planned in October for the programme board to discuss and agree

these improvement targets ahead of negotiations with GONW, which are expected to take place in November 2007.

5. Financial implications

- 5.1 The financial implications are outlined in paragraphs 2.4, 2.5, 3.4, 3.5, 3.6, 4.5 and 4.6. The 2006/07 financial outturn for 2006/07 was £3,407,340. The latest indication of funding for 2007/08 is that the pooled funding for the Wirral LAA will be £15,239,750. A more detailed report will be brought back to Cabinet members following the announcement of the comprehensive spending review 2007 in relation to future LAA funding.

6. Staffing implications

- 6.1 There are no staffing implications arising from this report.

7. Equal Opportunities implications

- 7.1 Equality and diversity is an integral theme within Wirral's LAA. All sections of the community will benefit from the LAA and the delivery of local priorities based on local need.

8. Community Safety implications

- 8.1 The Safer and Stronger Communities Block of the LAA will support the development of community safety priorities across Wirral.

9. Local Agenda 21 implications

- 9.1 The environment is a key theme which will be addressed within all blocks of the LAA and associated stretch targets.

10. Planning implications

- 10.1 There are no planning implications arising out of this report

11. Anti-poverty implications

- 11.1 Child poverty is a crosscutting theme during 2007/08 as outlined in paragraph 3.3. It is anticipated that the focus on this theme across all LAA blocks will support the delivery of activity that will impact on child poverty.

12. Social inclusion implications

- 12.1 Social inclusion is an important theme that features throughout Wirral's LAA to ensure that no community or group is excluded from opportunities and services within Wirral. A key element that features within Wirral's LAA is narrowing the gap between Wirral's most deprived neighbourhoods and the rest of the borough.

13. Local Member Support implications

13.1 There are no local member support implications.

14. Background Papers

14.1 Cabinet Report – Local Area Agreement Reward Element Update – 2 November 2006
Cabinet Report – Local Government White Paper / Local Government and Public Involvement in Health Bill - 8 February 2007

15. Recommendations

That

- (1) the progress that is being made towards delivering the outcomes within Wirral's LAA during 2006/07 be noted;
- (2) the proposed changes to LAAs be noted and members be kept informed of progress in relation to these changes; and
- (3) a report be brought to Cabinet following the announcement of the comprehensive spending review 2007.

J. WILKIE

Deputy Chief Executive/Director of Corporate Services