

**AGENDA MANAGEMENT SHEET**

**Name of Committee**

**Cabinet**

**Date of Committee**

**26<sup>th</sup> May 2005**

**Report Title**

**Local Area Agreements**

**Summary**

To request that Cabinet endorse COMT's proposal to progress a Local Area Agreement for Warwickshire

**For further information please contact:**

Monica Fogarty  
Head of Policy  
Tel: 01926 412514  
monicafogarty@warwickshire.gov.uk

Fiona Tomlinson  
Warwickshire Strategic  
Partnership Coordinator  
Tel: 01926 412587  
fionatomlinson@warwickshire.gov.uk

**Would the recommended decision be contrary to the Budget and Policy Framework?**

No.

**Background papers**

**CONSULTATION ALREADY UNDERTAKEN:-**

Details to be specified

- Other Committees  .....
- Local Member(s)  .....
- Other Elected Members  .....
- Cabinet Member  .....
- Chief Executive  Via Chief Officers Management Team meeting.
- Legal  David Carter – comments incorporated
- Finance  .....
- Other Chief Officers  Chief Officers Management Team meeting
- District Councils  .....
- Health Authority  .....
- Police  .....
- Other Bodies/Individuals  .....

**FINAL DECISION NO**

**SUGGESTED NEXT STEPS:**

Details to be specified

Further consideration by this Committee  .....

To Council  .....

To Cabinet

To an O & S Committee  .....

To an Area Committee  .....

Further Consultation  .....

## Agenda No

**Cabinet - 26<sup>th</sup> May 2005.**

### **Local Area Agreements**

#### **Report of the Chief Executive**

##### **Recommendation**

That Cabinet endorse COMT's proposal to progress a Local Area Agreement for Warwickshire

## **1. Background**

- 1.1 In July 2004 ODPM launched its prospectus for Local Area Agreements (LAAs). This prospectus provided the opportunity for councils to put themselves forward to pilot the LAA process. Initially ODPM identified that they would agree to pilot LAAs in 9 areas, after consultation, 21 pilots areas were finally identified.
- 1.2 ODPM has now announced a second wave of 40 pilots to be developed and negotiated during the second half of 2005, for an April 2006 start date. Government Office for the West Midlands has requested that those authorities wishing to submit an expression of interest for the second wave of pilots do so by Monday 20<sup>th</sup> May 2005. We are aware that every eligible Authority, (apart from Lincolnshire County Council which has yet to confirm), is planning to express an interest in becoming a second round pilot of Local Area Agreements. Due to the timescales, Warwickshire has submitted an initial expression of interest, to GOWM, subject to endorsement at this meeting.

## **2. Aim of the Local Area Agreements**

- 2.1 LAAs aim to give local authorities more leverage to join-up activities locally within the context of national priorities. A number of existing government funds, allocated to different local public agencies, can be streamlined into one pool of money. This pool will be negotiated with a local area, and it will be for the local area to determine how this will be spent.
- 2.2 Funding for LAAs is therefore not new money, the main aim of the LAA is to provide additional flexibility and relax the bureaucracy around local delivery of national priorities.
- 2.3 It is intended that the flexibility of this funding will therefore allow each area to negotiate its contribution to national priorities. Therefore areas will be able to

focus on specific local issues that should also contribute to some, but maybe not all, of the national priorities.

- 2.4 This pooled fund, from existing national budgets, is to be structured around four functional blocks of:
- Children and young people
  - Safer and stronger communities
  - Healthier communities and older people and
  - Local Enterprise Growth Initiative (this was added in this round of pilots for those areas eligible for Neighbourhood Renewal Fund - Warwickshire is not eligible).
- 2.5 For each LAA, projects will be based on high-level national outcomes, drawn from the shared priorities agreed between central and local government.

### **3. Experience from the first round of LAA pilots**

Based on the findings from the first round of pilots there are a number of issues to consider when making the decision about whether to express interest in becoming involved in the second pilot of LAAs.

#### **3.1 Timing**

As it is still the intention that LAAs will be rolled out to all remaining areas in England, it is a question of “when” it is best to embark on a LAA, not “if”.

#### **3.2 Scale of the LAA Proposal**

The scale of LAA proposals varied in the first round of pilots. Some councils focused at the ambitious end of the scale, bringing together the totality of public spending and public capacity, at a level of a major city or large county. Others took a more modest approach, focusing on rationalising and streamlining the “extra” area-based funding streams and initiatives, without yet worrying about influencing mainstream partner activity.

#### **3.3 Partners and Local Agencies involvement**

- Partnership arrangements locally are absolutely critical, and also heavily tested by the LAA process. “Unsurprisingly, the LAA process in county/district areas has proved much more complex than in unitary areas. .... The balance between trying to ensure inclusivity at all stages, and ever getting to the end of the negotiating process, is inevitably difficult.”<sup>1</sup> In areas where county / district relationships are strained, there are elements within the LAAs process likely to strain them further (such as the formal accountable body role for all funding streams being placed at the county level.
- The process has inbuilt tensions, in that all partners need to think about potentially surrendering some autonomy and control in return for a more shared approach to delivering better local outcomes. Hence leadership of the partnership arrangements, clear directional steer, and enthusiasm is essential.

---

<sup>1</sup> LAAs Round 2 Pilots – Choosing When to Apply – LGA, IDEA, March 2005

- The Partnership needs to be able to work fairly intensively and with a growing sense of collective accountability for shared public expenditure and capacity. The original LAA prospectus focused on the LSP as a vehicle for taking forward this work. However in many pilot cases LSPs were revisited and developed to become more robust, including in certain areas the development of Local Public Service Boards.
- The idea of key budgets and funding streams being merged or integrated can create tensions and difficulties both internally and externally.

### **3.4 Integration of LPSA2**

The ODPM has identified that LPSA2 agreements should become an integral part of any LAA agreement. In recent guidance received from GOWM, it has been identified that existing LPSA2 negotiation will continue until completion. Warwickshire can still apply to be in the next phase of LAAs and this would result in the LAA being negotiated alongside the LPSA. As Warwickshire is now finalising the LPSA2 agreement with ODPM, and with all targets incorporated into the Warwickshire Strategic Partnership Plan, this should be achievable.

## **4. Conclusions**

4.1 COMT have recently discussed this proposal and propose that, following discussions with Members and partner agencies, Warwickshire seeks to express an interest in becoming involved in the second round of pilots for LAAs.

4.2 Members are requested to endorse this proposal.

IAN CAULFIELD  
Chief Executive

Shire Hall  
Warwick

May 2005