



Refreshing Derby's Local Area Agreement

SUMMARY

- 1.1 Council Cabinet approved the first draft of Derby's refreshed Local Area Agreement on 17 January as the basis for negotiation with the Government Office for the East Midlands. This report describes progress made in developing the LAA and presents the final agreement for approval by Members.
- 1.2 Derby's refreshed LAA for 2006 covers four areas of activity or blocks:
 - Children and Young People
 - Economic Development and Enterprise
 - Healthier Communities and Older People
 - Safer and Stronger Communities.
- 1.3 Future governance arrangements for the LAA are being considered as part of the Derby City Partnership review to be concluded at the end of March 2006.
- 1.4 Subject to any issues raised at the meeting, I support the following recommendations.

RECOMMENDATIONS

- 2.1 To approve the final draft Local Area Agreement (which can be found on CMIS <http://cmis.derby.gov.uk/CMISWebPublic/Binary.ashx?Document=6169>) as the basis for agreement with the Government.
- 2.2 To confirm the delegated authority to the Chief Executive, in consultation with the Leader of the Council and the Director of Regeneration and Community, to conclude negotiations on behalf of the Council and its partners to this agreement.
- 2.3 To note the role of the Council as the accountable body for the agreement, and the governance arrangements necessary to support this role.
- 2.4 To note the further work to be undertaken with Derby City Partnership to develop appropriate governance arrangements to enable partners to work towards agreed outcomes under a 'single pot', and that these arrangements will be subject to further Cabinet approval.

- 2.5 To approve, subject to the agreement of Derby City Partnership and the need for Cabinet agreement to any later changes, the initial conditions to apply to disbursements by the Council of pooled LAA funds in 2006-07, as set out in the attached report.

REASONS FOR RECOMMENDATION

- 3.1 The Government expects negotiations on refreshed agreements to be completed by the end of March 2006, enabling agreements to take effect from 1 April 2006.



DERBY CITY COUNCIL

COUNCIL CABINET
14 March 2006

Report of the Director of
Regeneration and Community

ITEM XX

Refreshing Derby's Local Area Agreement

SUPPORTING INFORMATION

1. Refreshing Derby's Local Area Agreement

- 1.1 Council Cabinet on 17 January 2006 approved the first draft of Derby's refreshed Local Area Agreement, LAA as the basis for negotiation with the Government Office for the East Midlands, GOEM. This had been developed by the Council and its partners through and supported by Derby City Partnership, DCP.
- 1.2 The first draft has now been updated on the basis of feedback from GOEM and other central government departments, and these amendments have been agreed by DCP's Strategy Co-ordination Group, SCG.
- 1.3 Our final draft has now been submitted to ODPM for ministerial approval through GOEM. A copy of that submission is available on CMIS at <http://cmis.derby.gov.uk/CMISWebPublic/Binary.ashx?Document=6169> .
- 1.4 Further amendment may be necessary to reflect any further comments from ODPM and the progress on discussions on the freedoms and flexibilities we are seeking through the LAA. It is expected that negotiations will be concluded by 24 March 2006 so that council representatives and ministers can sign the new agreements on that day.
- 1.5 The refreshed LAA highlights what we want to achieve through the agreement in taking forward local priorities and is closely aligned to the new DCP Community Strategy. The scope and emphasis of each of the four blocks are as follows:
 - Children and young people – people up to their 19th birthday and care leavers and young people with learning difficulties and disabilities to the age of 25 in terms of their educational achievement, social development and health, safety and fulfilment. A key feature of this block is to underpin integrated service delivery and to tackle disadvantage.
 - Economic development and enterprise – sustainable economic development, regeneration and business growth based on strategies to promote skills, enterprise, innovation and investment in line with sub-regional and local economic plans.

- Healthier communities and older people – all people from the age of 19 with particular reference to improved health outcomes and more independent living. Funding streams are not as extensive within this block and our emphasis is on adding value through partnership working, with a focus on improved public health outcomes, preventive work and increased independence for adults and older people.
- Safer and stronger communities – community safety, a more attractive environment in which to live, active citizenship and reducing economic, social and environmental disparities between Derby’s communities. This block will take a broad view of community safety, going beyond the traditional focus on crime and disorder.

1.6 We have taken the opportunity provided by the annual review to incorporate the new area and neighbourhood working project within the LAA, pooling relevant funding streams within the LAA for greater flexibility. Safer and Stronger Communities Fund, SSCF and Neighbourhood Renewal Funding allocations have been combined with some mainstream funding to support the cross-cutting neighbourhood teams.

1.7 A summary of the main outcomes sought through Derby’s LAA is attached at **Appendix 2**. As last year, the LAA identifies indicators and targets and the funding streams that partners will use to achieve those outcomes in each of the four blocks making up the LAA.

1.8 Targets from Derby’s Second Generation Local Public Service Agreement - LPSA2 - and the Neighbourhood Renewal Strategy are also included within the agreement.

2. Freedoms and flexibilities sought through our LAA

2.1 Along with giving more flexibility in the use of funding to achieve agreed outcomes, the LAA offers the opportunity to agree additional freedom from bureaucratic restrictions which are getting in the way of better outcomes. Whilst we were disappointed with the results of the first pilot year, we have made some progress in agreeing freedoms and flexibilities, for example, reduced reporting requirements for Neighbourhood Renewal outcomes and greater flexibility to deliver some children’s programmes such as Surestart and Children’s Centres.

2.2 In the second year, we have pursued freedoms and flexibilities around community safety and reporting of health outcomes, which have yet to be agreed by GOEM. The LAA promises more general reductions in both financial and performance monitoring of associated funding streams although these are yet to be realised fully.

2.3 We are still expected to report our performance against LAA indicators and targets for each outcome on a six monthly basis, and total expenditure within pooled funding streams.

2.4 The terms of the LAA will continue to be subject to an annual review and we will use this opportunity to evaluate the effectiveness of the agreement and any changes we may need to make.

3. Governance and financial accountability

- 3.1 Councils and their partners are expected to make sure appropriate governance arrangements are put in place to deliver progress towards agreed LAA outcomes. During the first year of Derby's LAA, arrangements have been managed through the LAA Steering Group which reports to the DCP Strategic Coordination Group, SCG. LAA governance arrangements going forward are now being considered as part of a comprehensive review of DCP. Initial proposals will be consulted upon during March, with full discussion at the DCP Board on 31 March 2006.
- 3.2 The Council will continue to be the accountable body for the LAA and is required to provide for the following arrangements:
- Reporting total spending on each block to GOEM every six months. The Council has discretion to ask for a more frequent internal reporting cycle, to check against slippage or overspending in applying funds.
 - Maintaining appropriate audit arrangements - councils need to be satisfied that the arrangements are sufficiently robust and will satisfy audit scrutiny.
 - The establishment of detailed financial and contract procedures to apply to the LAA – for example, financial protocols with partner organisations where appropriate.
- 3.3 This year Derby has been given approval to establish a 'single pot' for funding streams, which allows us to redirect resources across blocks where this will lead to better outcomes. We will not use this freedom fully until the review of governance structures has been completed at DCP level, to ensure that arrangements for decision making and monitoring are sufficiently robust.
- 3.4 This means the Council will receive all pooled funding in one single payment per month from each Government department, but we will continue to allocate funding streams to blocks as is currently the case. The Council will decide with its partners on the appropriate frequency and timing of these disbursements but it is expected that LAA pooled payments will be disbursed to agencies as soon as practically possible after receipt – likely to be within a few days. Partners also need to be clear on any conditions attaching to their ability to apply those payments, which are as follows:
- Funds would be applied only to outcomes consistent with the LAA agreement, this condition being essential to satisfy Government requirements.
 - Any material change in currently planned uses consistent with 2006/07 budget plans would not be made without further clarification of the procedures to be adopted, which will be possible once revised governance structures are established.

- If LAA pooled funding were to be withheld or reclaimed by Government, for example in the event of year end underspending, then such costs would be borne by the responsible funded body. This is an essential safeguard for the Council as accountable body, to avoid a liability for other partners' actions. Other than this, the treatment of slippage will be subject to later clarification.

3.5 Senior officers of the Council and GOEM will contribute to the final proposals on governance and commissioning at DCP level. Consistent with the Council's responsibilities, it is proposed that the further detailed governance arrangements developed through DCP will require Cabinet approval.

<p>For more information contact: Heather Greenan on 01332 256259 heather.greenan@derby.gov.uk Background papers: Derby's Local Area Agreement List of appendices: http://cmis.derby.gov.uk/CMISWebPublic/Binary.ashx?Document=6169 Appendix 1 – Implications Appendix 2 – Summary of outcomes from Derby's refreshed LAA</p>

IMPLICATIONS

Financial

- 1.1 The LAA does not bring additional funding into Derby, but has changed some of the mechanisms and processes concerned with payment and monitoring, particularly in light of the single pot for 2006. The Council will continue to be the accountable body for the LAA.

Legal

- 2.1 As noted above, suitable arrangements for accountability and decision making is being developed through Derby City Partnership, DCP. The review will conclude at the end of March 2006 with an implementation plan developed during April and May 2006.

Personnel

- 3.1 None directly arising from the report.

Equalities impact

- 4.1 None directly arising from the report.

Corporate objectives and priorities for change

- 5.1 The LAA, incorporating the LPSA2, will take forward priorities in the refreshed Community Strategy and the Council's Corporate Plan.

SUMMARY OF OUTCOMES FROM DERBY'S REFRESHED LAA

Children and young people	Economic Development and Enterprise	Healthier communities and older people	Safer and stronger communities
<ul style="list-style-type: none"> • CYP1 - To provide safe environments for vulnerable children and young people • CYP2 - To improve the health of children and young people • CYP3 - Few teenage pregnancies and support to teenage parents • CYP4 - A good start to children's education and development • CYP5 - Improved attainment at KS1, 2 and 3 with particular focus on pupils in the bottom quartile • CYP6 - Better opportunities and outcomes for young people in the 14-19 phase of education • CYP7 - Greater involvement and inclusion of children and young people 	<ul style="list-style-type: none"> • EDE1 - To increase entrepreneurial activity in sustainable enterprise • EDE2 - To raise the skill levels of the local population with clear reference to local business need • EDE3 - To improve the attractiveness of Derby to investors • EDE4 - To support growth and productivity in each of the four city growth clusters • EDE5 - To maximise the benefits of investment for local labour and businesses 	<ul style="list-style-type: none"> • HCOP1 - To support older people and adults with chronic health problems to stay out of hospital and live independently • HCOP2 - To increase life expectancy and reduce mortality rates from stroke, heart disease and cancer • HCOP3 - To reduce health inequalities - both morbidity and mortality - between Derby population and neighbourhoods • HCOP4 - To improve condition management as part of a holistic approach to rehabilitation • HCOP5 - Reduce mortality rates from suicide and undetermined injury • HCOP6 - Increase in volunteering around older people 	<ul style="list-style-type: none"> • SSC1 - To reduce crime, the harm caused by illegal drugs and to reassure the public, reducing the fear of crime and anti-social behaviour • SSC2 - To empower local people to have a greater voice and influence over local decision making and delivery of services • SSC3 - To have cleaner, greener and safer public spaces • SSC4 - To improve the quality of life in the most disadvantaged neighbourhoods and ensure service providers are more responsive to neighbourhood needs and improve delivery