



DERBY CITY COUNCIL

COUNCIL CABINET
22 APRIL 2008

Cabinet Member for Corporate Policy

ITEM 12

Development of the new Local Area Agreement for 2008 – 2011 and new national performance framework

SUMMARY

- 1.1 Development of the new LAA 2008-11 is progressing in line with key timescales and a final list of indicators to be monitored through the agreement has been reached. This includes the 35 LAA measures, 6 LAA local indicators and the inclusion of the 16 Children and Young People mandatory measures. Work on setting LAA targets is underway and will be completed by the end of April, with sign off by Government by June 2008.
- 1.2 As part of the new Comprehensive Area Assessment, the Council and its partners will be assessed upon performance against all PIs in the national set, not just those in the LAA (although these will obviously take priority). Monitoring against all LAA measures and remaining indicators from the national PI set of 198, will start from April 2008.
- 1.3 The Government has confirmed that they are expecting councils to keep monitoring existing Best Value PIs during 2008-09 until relevant data returns have been reviewed. As a result, the Council will be monitoring more performance indicators initially - despite a supposed rationalisation of performance reporting. This does mean a considerable additional burden for services in the interim period, in particular Children and Young People.
- 1.4 Given the increased number of performance measures to be monitored, it is proposed that Cabinet's review of performance is focused on a 'basket' of key performance indicators, which will be finalised once performance results for 2007-08 have been reported and evaluated.
- 1.5 As reported to Cabinet in November 2007, it is also proposed to integrate financial and performance monitoring, with quarterly reports presented at Cabinet Portfolio Member meetings.
- 1.6 Subject to any issues raised at the meeting, I support the following recommendations.

RECOMMENDATION

- 2.1 To note Derby's finalised list of LAA indicators as shown in **Appendix 2**.
- 2.2 To approve the proposals for Cabinet quarterly performance monitoring from 2008-09 onwards, including a new basket of key PIs to be reviewed by Cabinet Part 1 and integrated financial and performance reports to be considered at Cabinet Portfolio Member Meetings.



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ITEM XX

Report of the Corporate Director of Resources

Development of the new Local Area Agreement for 2008 – 2011 and new national performance framework

SUPPORTING INFORMATION

1. BACKGROUND

- 1.1 The new LAA 2008-2011 is due to be signed off by Government in June 2008 however the aim is to have the document fully drafted by the end of April for the start of the next financial reporting year.
- 1.2 Development of the new LAA is progressing in line with the key timescales and GOEM deadlines and a final list of indicators to be monitored through the agreement has been reached. This includes the 35 LAA measures, LAA local indicators and the inclusion of the 16 Children and Young People mandatory measures and associated baselines and targets.
- 1.3 Work on setting targets is underway and will be completed by the end of April.
- 1.4 Monitoring against all the LAA measures and the remaining indicators from the national performance indicator set of 198, will start in April 2008.
- 1.5 Section 2 of the report covers the final list of 35 LAA measures.
- 1.6 Section 3 outlines the target setting process for the LAA measures.
- 1.7 Section 4 details the LAA reporting requirements to Government.
- 1.8 Section 5 covers the implications of the LAA and new national performance framework on Derby's performance arrangements and makes some proposals around performance monitoring by Council Cabinet going forward.

2. LAA INDICATORS

- 2.1 Derby's list of proposed LAA indicators was submitted to Government Office for the East Midlands, GOEM, by the Government deadline of 25 January.
- 2.2 GOEM have since consulted with Central Government Departments over Derby's list of indicators, which resulted in minimal proposals for change. A list of the proposals from Government departments and the resulting changes to the LAA indicator list are summarised below:

Original Indicator	Government Proposal	Revised LAA Indicators
NI 15: Serious violent crime rate	Replace NI 15 with NI 20: Assault with injury crime rate	Accepted – NI 20 now in Derby's LAA
NI 186: Per capita CO2 emissions in local authority area	Consider adding an additional indicator NI 188: Adapting to climate change	Added additional indicator NI 189: Flood and coastal erosion risk management
NI 13: Migrants English language skills and knowledge	Adding an extra climate change indicator, as outlined above, means an existing indicator needs removing	NI 13 to become a LAA Local Indicator
NI 49: Number of primary fires and related fatalities and non-fatal casualties excluding precautionary checks	Consider removing NI 49 from the list of 35 LAA indicators	None – NI 49 remains in Derby's LAA.

- 2.3 The changes above are reflected in the LAA Indicator List, shown in Appendix 2. This revised list was submitted to GOEM on 18 March 2008 and agreement with GOEM over Derby's 35 LAA indicators has now been reached. Derby was one of the first areas in the East Midlands to have the 35 LAA indicators approved.
- 2.4 As well as a confirmed set of 35 LAA indicators, the five DCP Cities have been asked to propose local indicators to supplement priority areas that have not been greatly supported through the 35 LAA indicators. Six local measures have been approved by the Partnership and these are shown in Appendix 2.
- 2.5 The local measures are a mixture of indicators taken from the national performance indicator set of 198 and indicators developed locally with partners. These local LAA indicators do not have to be agreed with GOEM nor do the targets that are set against them. Furthermore, performance against these local measures will not need to be reported to GOEM; monitoring within the Council and Partnership arenas will suffice.

3. TARGET SETTING

- 3.1 Targets for all 35 LAA indicators need to have been negotiated and agreed with GOEM by 25 April.
- 3.2 GOEM have assigned a lead officer, as we have done, for each of the 35 LAA indicators. The lead officers on both sides will be working closely together over the next few weeks to agree and finalise the baselines and targets for all the LAA indicators by the April deadline.
- 3.3 To assist in the target negotiations with GOEM council and partner officers were asked to produce provisional baseline and target figures using the draft definitions published in November 2007. Final definitions for 185 of the 198 measures have since been published and officers have been asked to review the provisional figures they set in light of any definition changes.
- 3.4 All 35 LAA indicators are required to have stretch targets set against them, as in rounds one and two of Local Public Service Agreements. A reward element is expected to be made available for those stretch targets which are successfully achieved however Government have not yet publish exact details.
- 3.5 The Partnership has agreed that, where possible, all LAA indicators will be monitored at city level and also at ward level. From the sub-city level information gained efforts would then be targeted at problem areas. Targets for specific wards will not be set.
- 3.6 Monitoring of sub-city level performance will take place through LAA Delivery Plans. These, which are similar to business plans but with a partnership focus, are to be produced for each of the 35 LAA indicators. Partners who are able to influence the indicators performance will be expected to contribute to the creation of document and in particular the action plan section.
- 3.7 The intention is to initially develop five delivery plans. The plans will each focus on a cross-cutting theme. One indicator from each DCP city has been chosen from the list of 35 measures. The areas chosen are as follows:

City	Cross-cutting area
City for Children and Young People	Children in poverty
City Growth	Climate change
City for Stronger Safer Communities	Community cohesion
Cultural City	Positive activities for young people
Healthy City	Mortality rates

- 3.8 Derby City Partnership is holding a series of workshops to help develop the five cross-cutting delivery plans. The first was held on 26 March and focused on 'Children in Poverty'. The aim is to have all five cross-cutting areas drafted by June 2007. Efforts will then turn to developing plans for the other 34 LAA indicators.

4. LOCAL AREA AGREEMENT REPORTING

- 4.1 An LAA Annual Review with GOEM is due to take place in July 2007 to formally complete Derby's first LAA, which has run from April 2005 to March 2008.
- 4.2 As with the first LAA, performance reviews for the new LAA are due to take place with GOEM every six months. The first review of the new LAA 2008-2011 is therefore planned for late October/early November.
- 4.3 Though details of the review requirements under the new LAA have yet to be published the general LAA guidance that has been issued highlights, the need to not only focus on past performance, as has been the case previously, but to also cover performance projections and risks to an outcome and the 35 LAA indicators not being achieved.
- 4.4 As well as performance reporting to GOEM the LAA indicators will also need to be reported on as part of the set of 198. CLG are working toward a Data Interchange Hub to make data available in one place. It is expected that the majority of national indicators will be reported directly into this hub by Government departments. Local authorities may have to provide data through the hub for around 15 national indicators.

5. IMPLICATIONS FOR PERFORMANCE FRAMEWORK

- 5.1 The LAA and new national performance framework has important implications for Derby's performance arrangements. Ongoing discussions are being held with Derby City Partnership to align the performance reporting timetables for the Partnership and Council, and to develop a coordinated approach to performance 'challenge' with involvement from Overview & Scrutiny.
- 5.2 As part of Comprehensive Area Assessment, the Council and its partners will be assessed upon performance against all indicators in the national set, not just those in the LAA (although these will obviously take priority).
- 5.3 As a result, the Council will be monitoring more performance indicators initially - despite a supposed rationalisation of performance reporting. The Government has confirmed that they are expecting local authorities to keep monitoring existing Best Value performance indicators during 2008-09 until relevant data returns have been reviewed. This does mean a considerable additional burden for services in the interim period, in particular Children and Young People.
- 5.4 In the past the Council Cabinet has received separate reports on Council and LAA performance – this can now be integrated for 2008-09. In terms of reporting to Cabinet, it would not be practical to report performance against all relevant measures which includes the new national indicator set, existing Best Value Performance Indicators and Corporate Plan milestones and indicators.

- 5.5 It is proposed that a 'basket' of key PIs (around 50-60) will be introduced for quarterly monitoring by Cabinet Part 1 meetings. The basket will include all 35 LAA indicators plus a selection of 'key' local indicators to reflect corporate priorities and known areas of underperformance. This will enable focused monitoring by Cabinet based on an exception basis. It is intended for Cabinet to review the potential basket of indicators for 2008-09 at its Part 2 meeting on 18 June 2008, once the performance results for 2007-08 have been reported and evaluated.
- 5.6 There is a need for Cabinet Portfolio members to also review the detailed performance results of relevant service areas – linked into the new budget scorecards which will be monitored monthly from 2008-09.
- 5.7 As presented to Cabinet in November 2007, the proposal is to integrate financial and performance reporting more closely. This would be done through joint highlight reports, derived from the data on Performance Eye, for discussion at Member portfolio meetings. This will allow more time for discussion and challenge than would be the case at Part 2 meetings (where in previous years portfolio performance was considered). Performance reports would therefore be presented at Member meetings on quarterly basis.
- 5.8 If Cabinet Members require further information, full details on performance indicators and budget monitoring can be found within the portfolio scorecards on Performance Eye.

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Background papers:	
List of appendices:	Appendix 1 – Implications Appendix 2 – Final LAA Indicator List

IMPLICATIONS

Financial

1. The Council's Revenue Support Grant plus a new Area Based Grant made up of over 35 specific grants are to be pooled within the new LAA. The amount of area based grant is approximately £15 million.

Legal

2. None directly arising from this report.

Personnel

3. None directly arising from this report.

Equalities impact

4. None directly arising from this report.

Corporate priorities

5. The Council's corporate priorities and related actions support the Local Area Agreement priorities.

Final LAA Indicator List approved by GOEM in March

No.	Description
1	NI 65 - Children becoming the subject of a Child Protection Plan for a second or subsequent time
2	NI 125 – Achieving independence for older people through rehabilitation/intermediate care
3	NI 135 – Carers receiving needs assessment or review and a specific service or advice and information
4	NI 141 - Number of vulnerable people who have achieved independent living
5	NI 117 - 16 – 18 yr olds who are not in education, training or employment - NEET
6	NI 164 – Working age population qualified to at least Level 3 or higher
7	NI 8 - Adult participation in sport
8	NI 9 – Use of public libraries
9	NI 57 - Children and young people's participation in high-quality PE and sport
10	NI 110 - Young people's participation in positive activities
11	NI 178 Buses running on time
12	NI 186 - Per capita CO2 emissions in local authority area
13	NI 189 - Flood risk management
14	NI 193 - Municipal waste land filled
15	NI 195 – Improved street and environmental cleanliness (levels of graffiti, litter, detritus and fly posting)
16	NI 1 - Percentage of people who believe people from different backgrounds get on well together in their local area
17	NI 2 – Percentage of people who feel that they belong to their neighbourhood
18	NI 4 - Percentage of people who feel they can influence decisions in their locality
19	NI 35 - Building resilience to violent extremism
20	NI 20 – Assault with injury crime rate
21	NI 17 – Perceptions of anti-social behaviour
22	NI 18 - Adult re-offending rates for those under probation supervision
23	NI 32 - Repeat incidents of domestic violence
24	NI 49 – Number of primary fires and related fatalities and non-fatal casualties, excluding precautionary checks
25	NI 111 – First time entrants into the Youth Justice System aged 10 – 17
26	NI 39 – Alcohol-harm related hospital admissions rates
27	NI 47 – People killed and seriously injured in road traffic accidents
28	NI 51 - Effectiveness of child and adolescent mental health (CAMHs) services
29	NI 112 - Under 18 conception rate
30	NI 121 - Mortality rate from all circulatory diseases at ages under 75
31	NI 122 – Mortality from all cancers at ages under 75
32	NI 152 – Number of working age people on benefits
33	NI 172 - VAT registered businesses in the area showing growth
34	NI 154 - Net additional homes provided
35	NI 116 – Proportion of children in poverty

Local LAA Performance Indicator List

No.	Description
1	NI 6 - Participation in regular volunteering
2	NI 13 – Migrants English language skills and knowledge
3	NI 54 - Services for disabled children
4	NI 62 - Stability of placements of looked after children (number of moves)
5	New business starts
6	Public and private infrastructure investment levered