

BUSINESS SUPPORT OVERVIEW AND SCRUTINY COMMITTEE

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THE LOCAL STRATEGIC PARTNERSHIP AND LOCAL AREA AGREEMENTS

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1 Purpose of item

- 1.1 This report informs Members of the Business Support Overview and Scrutiny Committee of the requirements to produce a new local area agreement (LAA). The Local Government and Public Involvement in Health Act (2007) lays the basis for the new LAA, emphasises the community leadership role of councils and places a new legal duty on other public services to cooperate with the Council to develop, implement and manage performance of the LAA. The report advises Members of progress towards developing a stronger framework for partnership working and preparing the LAA.

2 Recommendations

- 2.1 Members are asked to consider progress to date in preparing the LAA and make any comments on the potential list of headline LAA priorities at appendix 1.
- 2.2. The Committee's views are invited on the key issues highlighted in paragraph 6 and the proposal to bring a further report to the Committee on how overview and scrutiny can engage in the LSP process and scrutinise outcomes against agreed targets.

3 Background

- 3.1 The Local Government and Public Involvement in Health Act has a number of elements including:
- A focus on improving services and the quality of life in localities
 - A stronger voice for local communities in the commissioning and provision of health and social care services, enabling people to influence the services they use.
 - A stronger role for partnership working through the Local Strategic Partnership (LSP)

- A new responsibility to develop Local Area Agreements (LAAs) which will be an agreement with central government, between a local authority and partner agencies
- A requirement for the local authority and partner agencies to co-operate with each other in determining local improvement targets for the area to be included in the LAA; for the local authority to consult with partners and particular named organisations in the preparation of the LAA.
- For some agencies, there is a new 'duty to cooperate' and responsibilities for partner agencies to have due regard to LAA targets
- A strengthened leadership role for local authorities including an enhanced role for local authority overview and scrutiny committees to improve local accountability.

4. Preparing for the second Local Area Agreement

- 4.1 The aim is for all upper tier authorities to have led the production of new style LAAs with their Local Strategic Partnerships (LSPs), and to have negotiated these with the Government Office on behalf of central government by June 2008.
- 4.2 The current LAA, though not yet a year old, will come to an end in June 2008 with the exception of Local Public Service Agreement (LPSA) targets, which have a further year to run. Performance reward grant commitments on the existing public service agreement targets will be honoured and there will be additional performance reward attached to achievement of the new LAA (LAA2) as a whole.
- 4.3 The new LAA2 must contain up to 35 targets, drawn from a list of 198 national performance indicators which cover the range of services that the council provides alone and in partnership with other agencies – attached as **appendix 3**. The selection of the 35 and the targets set against these are negotiated with government. In addition to the 35 targets there are a further 16 mandatory ones which all areas must include relating to children and young people. We are also free to include as many other 'local' targets as we want. From our experience to date we would be advised to keep the number of additional targets to a minimum and try to ensure through negotiation that we cover our main local priorities in the list of 35 negotiated with government.
- 4.4 The LAA2 will sit at the heart of Local Strategic Partnership business acting as the short-term delivery plan for the community strategy.
- 4.5 It is very important to note that we are not starting from scratch. We have an extensive track record of assessing need, consulting with the community and identifying priorities for the community strategy and the relevant performance plans for partner / stakeholder organisations, and other key strategies. We are building on and refining this work to make sure that the LAA allows us to focus on *the most important things that we need to work on in partnership*. Through this we should have greater clarity than ever before on which organisation will do what, with what resource.

- 4.6 The working list of headline priorities is attached at **appendix 1** for the Overview & Scrutiny Committee's consideration. We intend the list of priorities to be a mix of shorter-term service improvement priorities and longer-term infrastructure improvements that we need to put in place to deliver a sustainable Medway. This is in line with GOSE advice. The priorities are drawn from an analysis of Medway's strengths and weaknesses and contributions for the development of existing plans e.g., the community strategy and the council's own performance plan. Extensive consultation has already taken place with partner organisations, the LSP thematic partnerships and the full LSP.
- 4.7 Following on from identification of priorities we will then select which of the 198 indicators in the national indicator set best help us and government to track progress on delivery. The full list of 198 is attached at appendix 3 and the long list of indicators are attached for Overview & Scrutiny members' information at **appendix 2**. Officers within the council and partner agencies are carrying out detailed analysis of the indicators to refine this list.
- 4.8 Over the coming weeks, we will then carry out detailed planning with our partners to determine what is achievable, and then negotiate accordingly with government.
- 4.9 The LAA will be considered and formally approved by full council as part of the policy framework. To support this process and ensure members have the opportunity for detailed input, it is intended to hold a workshop for all members in February. At the time of writing, this report, a date has yet to be identified.

5. Strengthening Medway's Local Strategic Partnership

- 5.1 The LSP Board has reviewed its operating arrangements and agreed a range of measures to strengthen capacity to deliver on the priorities in the community strategy and the new LAA:
- To structure the organisation of the LSP into an interrelated set of three main tiers (the LSP Board and LSP Plenary; an LSP Operational Group and main lead thematic partnership groups)
 - To re-form the LSP Board with a new membership line – up with defined roles and responsibilities to act as the *strategic hub* of partnership activity in the local area
 - To establish an Operational Group made up of representatives drawn from the main thematic partnerships and the organisations leading the delivery of LSP / LAA priorities to help retain the focus on delivery and performance management. In addition it would secure opportunities for improving the capability of thematic partnerships to align actions to address crosscutting priority issues.
 - To reduce the existing number of main thematic partnerships from ten to five.
 - To enhance the business management of the LSP (including programming; forward planning and agenda – setting cycles).

5.2 Members of the LSP Board will include people who have executive authority within the main statutory sector bodies and those who can directly influence change and developments in Medway by virtue of their position in a local / regional organisation or interest group. The council representation will include:

- The Leader of the Council
- The leader of the Council opposition
- The Cabinet Member for Customer First and Corporate Services
- Chief Executive

5.3 Each of the main thematic partnerships, which reflect the community strategy themes and LAA priorities, will include the lead Council portfolio holder for the relevant theme:

Partnership body	LSP / LAA proposed priority / LAA theme	Portfolio member
Community Safety Partnership	Safer, Stronger Medway	Cllr Rehman Chisti
Children & Young People's Strategic Partnership	Children, young people and families	Cllr Les Wicks
To be confirmed	Physical and social regeneration, including environment, housing, and culture	To be confirmed
Medway Economic Partnership Board	Economy, skills and transport	Cllr Jane Chitty
Health Partnership Board	Health and well being	Cllr Tom Mason

6. Involvement of Overview and Scrutiny Committees

6.1 Recently published Government guidance on Local Area Agreements envisages that all Councillors will be involved in the development of the Sustainable Communities Strategy and Local Area Agreements and that Overview and Scrutiny Committees will have a key role to play in holding partnerships to account and scrutinising the achievement of LAA outcomes. Overview and Scrutiny Committees are to be given new powers to require information from partner authorities under regulations to be made under the Police and Justice Act 2006 and The Local Government and Public Involvement in Health Act 2007. Operational guidance from the Government on development of the new LAA framework refers to the need for robust local performance management arrangements which should include the use of Overview and Scrutiny Panels to raise questions on priorities, progress and action being taken to tackle under performance. The Government view is that public accessibility to the conclusions of scrutiny reviews of the LAA as part of local accountability is an effective means of supporting the empowerment and engagement of local communities.

6.2 Currently in Medway every Overview and Scrutiny Committee has a remit to scrutinise and review partnership working. The Business Support Overview and Scrutiny Committee is responsible for considering the effectiveness of

partnership working and has specific responsibility for overview and scrutiny of the Local Strategic Partnership

- 6.3 The launch of the new LAA and the review and implementation of new operating arrangements for the Local Strategic Partnership provides an opportunity to also review and enhance engagement by Overview and Scrutiny Committees in the work of the LSP and the development and ongoing scrutiny of the LAA.
- 6.4 At this stage the views of the Committee are invited on a number of issues relating to information flow, overview of specific LAA targets and the future development of LAA scrutiny:
- initially it will be important to support Councillors in gaining a clear understanding of the LAA and how it will work and an all-member briefing is being arranged for March for this purpose.
 - dialogue between the LSP, each of the thematic partnerships and Overview and Scrutiny Committees needs to be developed. Again, initially this could be done by regular reports from the LSP to this Committee and from each thematic partnership to the other Overview and Scrutiny Committees as appropriate. An invitation to a representative of the LSP and the thematic partnerships to attend relevant meetings of the Overview and Scrutiny Committees could also be considered. Regular feedback would focus on performance against each LAA target and action plans for addressing areas of underperformance. It will be important for Overview and Scrutiny Committee members to influence how they would like this information presented as this will be the key to identifying areas for more intensive scrutiny and where information from partners is required to enable a constructive dialogue to take place.
 - some Councils have aligned their Overview and Scrutiny Committee structure with LSP thematic partnership structures. This is not proposed as a first step in Medway. Rather it is proposed to monitor experience in other Councils over the first year of new LAAs. As a first step it is proposed to map the finally agreed Medway LAA targets and LSP thematic partnerships against the existing Overview and Scrutiny Committees and bring a report back to this Committee to consider how responsibility for scrutinising delivery against specific targets should be assigned. For most targets it is likely there will be a clear fit against one of the existing Overview and Scrutiny Committees. Where it is less clear this Committee may wish to take the lead or recommend that one of the other Committees is assigned the lead. This Committee will continue to have an overarching role in relation to the LSP and may wish to recommend the other Overview and Scrutiny Committees to focus on particular areas of performance within the LAA.
 - in the longer term and on an ongoing basis it will be important for Overview and Scrutiny to be able to influence the development of Medway's Sustainable Communities Strategy and the LAA.

7. Financial implications

- 7.1. The development of the new LAA is being accompanied by changes in funding from central government that has seen some £10m of specific grant diverted from a number of different sources into a single Area Based Grant (ABG) for 2008/2009.
- 7.2. Where appropriate, services budgets will be adjusted to compensate for the loss of grant by reimbursement from the ABG. In the longer term, there is no requirement to match ABG funding to LAA/LSP priorities. Any additional redirection of funding to reflect LAA/LSP priorities will have to be in the form of virements from within core budgets.
- 7.3. Government has indicated that current PSA reward grant obligations will be honoured and new funding will be available for LAA 2 reward grant. The level of reward has not been confirmed but it is anticipated that it will be evenly spread across the 35 agreed targets.

8. Legal implications

- 8.1 The Local Government and Public Involvement in Health Act 2007 introduces new duties for local authorities in relation to local area agreements. The provisions in the Act relating to overview and scrutiny committees and the "councillor call for action" is not yet in force as the government is currently consulting on the extent and use of these provisions.

9 Background papers

Consultation on the Statutory Guidance:

<http://www.communities.gov.uk/publications/localgovernment/statutoryguidance>

LAA Operational Guidance (Phase 2):

<http://www.communities.gov.uk/publications/localgovernment/laaoperationalguidance>

An introduction to the Local Performance Framework:

<http://www.communities.gov.uk/publications/localgovernment/localperformanceframework>

Local Government and Public Involvement in Health Act 2007

http://www.opsi.gov.uk/acts/acts2007/ukpga_20070028_en_1

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