

why?

Fact sheet 7

Why Local Area Agreements (LAAs)?

What is a Local Area Agreement?

A Local Area Agreement (LAA) is a three-year 'contract' between a local area, represented by the local authority and other partners through the Local Strategic Partnership (LSP), and central Government. It describes how the LSP will improve outcomes for people and communities and sets out specific targets that will be invested in as priority work. New agreements were finalised in June 2008.

Where did LAAs come from?

The Comprehensive Spending Review set out the priority outcomes that Government wants to achieve in the spending period from 2008 to 2011. These outcomes are expressed as Public Service Agreements (PSAs). LAAs describe how a local area will deliver the PSA outcomes.

What is the national indicator set?

There are 30 cross-governmental Public Service Agreements (PSAs) and each PSA has a number of indicators attached to it for measuring progress over the three-year spending review period. An indicator is information that shows whether something is happening. All of these indicators - 198 in total - make up the national indicator set. Although local areas will have to report against all 198 indicators, the bulk of local authority money will go towards work on the 51 priority areas. Thirty-five of these indicators are discussed and agreed on locally, and 16, around education and childcare, are imposed by central government. The full set of indicators can be downloaded from www.communities.gov.uk/publications/localgovernment/finalnationalindicators

Who develops LAAs?

LAA targets are negotiated by the Local Strategic Partnership (LSP), which is a non-statutory, multi-agency body that aims to bring public, voluntary, community and private sectors together at a local level. The local authority is the lead partner in the LSP and the overall financially accountable body for LAAs. The regional government office leads the negotiation of the LAAs on behalf of central Government. LSPs are expected to plan, review and manage performance against the targets identified in the LAA.

How do LAAs fit with children's trusts and the Children and Young People's Plan?

The local children's trust oversees the Children and Young People's Plan (CYPP), which is the local strategy for improving the five Every Child Matters outcomes for children, young people and their families. The children's trust should, therefore, play an important role in developing the children and young people's indicators of LAAs. The LAA and CYPP should both be focused on the same priorities, targets and outcomes and be mutually reinforcing.

Children's trusts should have a key role in coordinating the work of local partnerships. They will lead on identifying the improvement priorities for children and young people within the new LAAs and feeding these into the wider Local Strategic Partnership (LSP). The LSP will negotiate the improvement targets with Government through the regional government office.

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How does the voluntary and community sector fit in?

The voluntary and community sector (VCS) should be involved in both the design and delivery of the services delivered through the LAA. Organisations can help stay informed and influence the strategic direction of their areas by being well networked into local fora and decision making arenas. Local infrastructure support organisations (council for voluntary service or voluntary action, for example) should know who represents the voluntary sector in these meetings and what channels exist to hear about, and feed into, what is happening locally.

Will this affect funding?

Very likely. LAAs do not mean that there is any new funding for the local authority – it is simply a different way of using existing funding. Now all partnership money will be pooled into a single pot to deliver the indicators in the LAA. This is known as an ‘area based grant’. Funding is no longer tied to specific themes and there will be no ring-fenced pots of money (e.g. Children’s Fund). Different areas will take different approaches, however, so it is important to check with the LSP about how funding is likely to work in an area.

What this means is that organisations that had relied on grant funding can no longer do so. In order to be funded by local authority money, organisations will need to negotiate with individual statutory agencies to be funded to deliver services and will need to demonstrate how their work contributes to the LAA outcomes. Unfortunately, it also means that organisations working across two or more local authority boundaries will have greater difficulty getting statutory funds.

Government has promised some new funding for areas that exceed their targets. This is known as a ‘reward grant’ and is payable at the end of the LAA period (i.e. 2011 for this LAA round). It is up to local partners how the reward grant is spent.

What is an example of an indicator?

National indicator 110: Young people’s participation in positive activities

Rationale for the indicator: The activities young people participate in out-of-school have a significant bearing on their later life outcomes. Positive activities are a good use of young people’s time because they provide opportunities to:

- acquire specific social, physical, emotional and intellectual skills,
- contribute to the community,
- belong to a socially recognised group,
- establish supportive social networks of peers and adults,
- experience and deal with challenges and
- enjoy themselves.

Definition of the indicators: ‘Positive activities’ include a range of sporting, cultural, recreational and volunteering activities that can happen in a number of settings. The key is that they are structured, good quality, adult-led and support development towards the five ECM outcomes.

How this will be measured nationally: The proportion of young people in school year 10 responding ‘yes’ to the question, ‘In the last 4 weeks, have you participated in any group activity led by an adult outside school lessons (such as sports, arts or a youth group)?’

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