

ENVIRONMENT CAPITAL SCRUTINY COMMITTEE	Agenda Item No.
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Report of the Head of Strategic Improvement and Partnerships, on behalf of the GPP Executive

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REFRESH OF THE LOCAL AREA AGREEMENT

1. PURPOSE

- 1.1 The Local Area Agreement 2008/11 is a 3-year contract with central government that is reviewed and refreshed on an annual basis.

This report is to present to Environment Capital Scrutiny Committee the proposed changes to the LAA third and final year targets.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Committee scrutinises the proposed changes to the refreshed indicators within the Local Area Agreement 2008/11 and makes any appropriate recommendations to the Leader of the Council.

3. LINKS TO THE SUSTAINABLE COMMUNITY STRATEGY AND LOCAL AREA AGREEMENT

- 3.1 The Sustainable Community Strategy (SCS) is the plan for the future of our City and the surrounding villages and rural areas. It aims to improve the quality of life of the people of Peterborough and to raise the profile and reputation of the City as a great place in which to live, visit and work. It has been developed with our partners around four areas of work.

- Creating opportunities – tackling inequalities
- Creating strong and supportive communities
- Creating the UK's environment capital
- Delivering substantial and truly sustainable growth

- 3.2 The Local area Agreement (LAA) is the delivery strategy for achieving the outcomes set out in the SCS. It is a three-year agreement negotiated on a rolling three-year basis between the partners in Peterborough under the auspices of the Greater Peterborough Partnership (GPP), and regional and national government. It sets out the agreed actions and targets to enable us to deliver our SCS. 2010/11 is the final year of the agreement.

- 3.3 This document sets out the outcomes of the annual refresh of the Local Area Agreement which refreshed some the third year targets.

4. BACKGROUND

4.1 Peterborough's current Local Area Agreement was negotiated in early 2008 and was signed off in April 2008.

The annual refresh process enables some targets to be negotiated under the following circumstances;

- National or local factors are having a sustained negative effect on performance and cannot be mitigated
- Targets that have previously been deferred are now able to be negotiated
- Adjustments to targets required following publication of actual figures rather than estimations (i.e. Place Survey data)

It also enables corrections to be negotiated where errors have been made in the target setting. The LAA designated indicators meeting these criteria are described in the table below at 4.2.

4.2

NI	Title	Comment	08/09	09/10	10/11
1	% of people who believe people from different backgrounds get on well together in their local area	Place Survey indicator	67.8%	N/A	72.3%
4	% of people who feel they can influence decisions in their locality	Place Survey indicator	29.6%	N/A	33.6%
6	Participation in regular volunteering	Place Survey indicator	23.3%	N/A	27.3%
54	Services for disabled children	Deferred targets, new indicator	60	63	64
112	Under 18 conception rate	Deferred final year target	-8%	-23%	No target proposed
151	Overall Employment rate	Economic-based indicator	76.2%	77.3%	Maintain Gap with GB Average at -0.6 % point tracker
					Convergence target at 100% of the national average
153	Working age people claiming out of work benefits in worst performing neighbourhoods	Economic-based indicator	26%	25.5%	Maintain a lead over the England average of at least 2.0 percentage points by Quarter 2 May 2011.
					Convergence target at 100% of the national average

166	Average earnings of employees in the area	Economic-based indicator	£485.20 (95.2% of regional average)	£508.10 (95.3% of regional average)	Convergence target at 98.7% of Regional Average
					Convergence target at 100% of the regional average
171	VAT registration rate	Economic-based indicator	57.2	57.9	Convergence target at 92% of Regional Average
					Convergence target at 100% of the regional average
150	Adults in contact with secondary mental health services in employment	Local indicator – errors in original targets	5.63%	6.3%	7.5%

Key:

Proposed by working group

Recalculated after Growth Board

A lead officer for each indicator has liaised with their corresponding Government Office (GO) lead and relevant partners to propose new targets in line with parameters set by government guidance. Progress reports have been provided to the GPP Executive and to relevant partnerships.

5. KEY ISSUES

5.1 The Place Survey Indicators

The three Place Survey indicators (NI 1, 4 and 6) have been refreshed but this has only involved very minor changes to the original targets. This is in direct response to the validated, published data from June 2009 as opposed to the previous draft Place Survey results.

5.2 NI 54 - Services for disabled children

This is a designated indicator within the LAA that did not have a third year target. The proposed final year target has been agreed without issue – current performance is very good and the refreshed target provides for further improvement in performance.

5.3 NI 112 – Under 18 conception rate

A final year target had not been set for this indicator. The target proposed by central government is a national target which was deemed unachievable at the outset of the LAA by partners. However, central government has agreed to allow all LAA partnerships to remove NI 112 from the Performance Reward calculations at the end of the LAA in 2010/11, should they wish to do so.

There are three options open to Peterborough:

1. **To include the third year (2010/11) national target in the LAA and elect to remove it from LAA Reward grant calculations** – there is no negotiation on target which would be a 55% reduction on U18 conception rates. The local proposal is a target of -26.9% reduction.
2. **To leave the third year target blank and remove it from the reward**, from published LAA perspective. We could however put in a local target to ensure that this agenda continues to be a local priority but we would not be allowed to include in the published document.
3. **To include a third year target and keep it in the Reward** – this is not an option for Peterborough as we know that we will not achieve it and we will increase our risk of achieving reward monies.

The GPP Executive have recommended that Peterborough takes advantage of option 2.

The local target proposed by John Richards, Director of Children's Services will ensure that the agenda remains a priority. This target would appear in all our local documentation. Planned work will continue to focus on improving our rates of Under 18 conceptions.

5.4 The Economic Prosperity Indicators

The national guidance for the refresh process has given us the opportunity to renegotiate four economic-based indicators set before the economic down-turn. The proposals for the new targets have been agreed with Government Office (GO).

However, when the proposals were discussed at the Growth Board, members expressed concern that setting lower targets will be interpreted as setting lower aspirations. The Growth Board were concerned that we should maintain high targets and not lower aspirations for the city.

On this basis they recommended a recalculation of the proposals to close the gap with regional averages. Note, the data on regional averages reflects the pre-downturn performance not current. In reality, these averages when published are likely to be lower.

The options are:

1. **Accept proposals for new (lower) targets made by the partnership working group. These are stretching but could be achieved.**
2. **Accept the Growth Board's recommendation to introduce higher targets but accept that these will not be achieved within the remaining 12 months of the LAA.** This carries the additional risk of not demonstrating sufficiently good performance to enable Peterborough's qualification for reward monies. The impact on our ability to claim reward monies is extremely high. We have estimated the effect of this could be a minimum of £251,000.

5.5 NI 150 - Adults in contact with secondary mental health services in employment

During the course of the refresh, it was raised that the targets set previously for this indicator were subject to errors in the calculations. This has been discussed with and verified by GO and the targets subsequently amended as per table 4.3.

6. **IMPLICATIONS**

- 6.1 The implications of the targets in the Local Area Agreement are significant in that our progress in achieving them will form part of our performance assessment in the Comprehensive Area

Assessment (CAA). LAA targets are a key measure of our performance in delivering the outcomes in our Sustainable Community Strategy and form part of the performance assessment in CAA. It is important that they are set to be stretching but realistic and achievable as part of our improvement agenda.

7. CONSULTATION

- 7.1 GO-East Theme Leads, Priority Lead Directors and Lead Officers within the delivery teams across the partnership for each outcome involved in the LAA Refresh 2010, have been leading their respective renegotiations and involving partners as appropriate throughout the process.

8. NEXT STEPS

- 8.1 After Environment Capital Scrutiny Committee have considered these proposals, delegated authority for sign-off of the final refresh of the Local Area Agreement will then be requested from the Leader of the Council (Cllr Cereste) and the Chief Executive of Peterborough City Council (Gillian Beasley).

Amendments will be incorporated into the LAA 2010 Review and Refresh Submission document and forwarded to CLG for Ministerial approval.

9. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985:

- 9.1 Sustainable Community Strategy
LAA Review and Refresh Submission document 2009

10. APPENDICES

- 10.1 There are no appendices.

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