

2009/2010 LAA Review

Advice Note for Government Offices

Introduction

- 1 This note sets out the timeline and broad negotiation parameters for the second LAA annual review and refresh since the new LAAs were agreed in 2008. It has been agreed by the LAA representatives of Government Departments, the Government Office network, the Audit Commission and the local government and third sectors.
 - 2 The note draws very strongly on the lessons learned from the last annual review exercise, in particular to ensure the review process is proportionate and focused sharply on where it can most add value. It is important to underline that this reflects our shared determination to reinforce the continued central importance of LAAs, so that they go further in helping us focus on outcomes and building a stronger central-longer relationship, and cutting back further less valuable processes.
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- 3 This annual review will be the first to follow CAA, and will align with the complete Local Performance Framework cycle for the first time. We will retain the core principles that guided us successfully through the last annual review, updated in the light of the collective lessons we learned in 2008/9.
 - 4 This annual review should be approached not as a national top down process, but as a joint exercise between local areas and Government, through the Government Office Network. This means that the reviews should be seen as something that signatories to an LAA should *want* to do anyway simply as part of good performance management, and that they should be as helpful to local areas as they are to Government.
 - 5 **The focus of this review will be firmly on delivery and will avoid any separate assessments of local performance.** This means deciding what more needs to be done to achieve agreed priorities, based on primarily on addressing risks identified by CAA – including but not limited to red flags – and resolving any outstanding issues arising from the last review.
 - 6 On an exception basis, the review process will also provide an opportunity to refresh targets. To keep the focus firmly on delivery and build in the lessons from last time around minimise bureaucracy, renegotiations will be limited in scope to the nine economic targets exempted from Reward lockdown in April 2009 plus, in nine areas, on teenage conceptions (NI-112). These are set out at **Annex A**
 - 7 LAAs may also be refreshed in terms of finalising a small number of targets that were deferred last year. As agreed across Departments last year, these already fall outside Reward. Given that we are already half way through the current LAA cycle and also that these targets have no implications for

Reward, areas should set their own targets where this is the case without negotiation.

- 8 Additionally, there is category of targets related to Place Survey indicators and where data has changed on. Any revisions on these indicators should be technical in nature and should not require renegotiations. The Place Survey indicators are set out at **Annex B**.

Guiding Principles

- 9 Each annual review should be guided by the following core principles:

Collaboration and co-operation

The review process should be seen as part of the wider – and more important – LAA goal to develop a more mature central-local relationship. Reviewing what more might be needed to achieve agreed priorities is a practical, natural part of ensuring that, together, local areas and central government are doing all we can to deliver a better outcomes for citizens

Proportionality

For the annual review, Government requests for information will be limited, and less overall than last year. In return, local areas should be conscious of the legitimate interest of Government in seeking some limited information.¹

For refresh, Government will avoid reopening LAAs, unless merited clearly by findings in CAA. Local representatives have likewise signalled their support to avoid renegotiating LAA targets beyond an agreed suite of indicators (para 4).

Alignment with other performance frameworks

- 10 The GO locality manager will liaise with the Audit Commission Comprehensive Area Assessment Lead for the area at an early stage to plan best use of area and organisation assessments to help inform their review and avoid duplication of work. Reviews will also need to be informed, as appropriate, by performance monitoring processes in other performance frameworks - the Assessment of Policing and Community Safety (APACS), the NHS Operating Framework (Vital Signs) and the statutory regime for education and early years targets.

¹ The relationship between LAAs and PSAs is set out in the Local Performance Framework narrative (2007). The parameters of what Government may reasonably seek to know about LAA delivery is set out in [Creating Strong and Prosperous Communities](#) (para 4.22) and in [Roles and Responsibilities](#) (p14, last para).

- 11 **Analysis of Policing And Community Safety (APACS):** the Annual Review should be informed by the strategic assessments conducted by Crime and Disorder Reduction Partnerships (CDRPs) to identify the crime reduction and community safety priorities for their area. Police Authorities should also work with CDRPs and LSPs during the annual review to ensure that the targets in policing plans and the targets in LAAs take account of each other.
- 12 **NHS Operating Framework (Vital Signs):** the Department of Health will publish later this year the NHS Operating Framework for 2010-11. To support delivery of joint priorities it is anticipated that partners (including Primary Care Trusts) will want to discuss progress against existing plans between December and March, alongside the LAA review and refresh. The main focus for both local government and the NHS will be on supporting delivery of agreed priorities and targets by March 2011, rather than refreshing plans. The NHS Operating Framework will set out the timetable for PCTs, where appropriate, to submit refreshed plans, approved by Strategic Health Authorities, to the Department of Health. The Department encourages PCTs, local authorities and their partners to discuss delivery of health targets as an integrated part of the overall LAA review and refresh.

Renegotiation of targets

- 13 Drawing on our agreed principles of proportionality and collaboration, Government agreed with the local sector last spring on three points of flexibility, which need to be honoured for this review:
 - first, that it would be open to requests to renegotiate targets against an agreed suite of economic indicators in light of genuinely changed local circumstances;
 - second, that it would exempt these indicators from Reward lockdown for a year (i.e. to be 'locked down' in 2009-10) to give areas reasonable time to consider the local impact of the recession.
 - third, that where other targets on other indicators are seen to be *less* challenging due to economic factors, such as on congestion and climate change, the Government would not seek upward revisions.
- 14 In addition to the above position on the suite of economic indicators, agreement has been reached across sectors on the following:
 - Where published data on Place Survey targets turned out different to pre-published data, local areas are entitled though not compelled to adjust accordingly (ie an adjustment, not a renegotiation – see para 13 for details);
 - Local areas with Teenage Pregnancy in their LAA are encouraged to finalise any outstanding targets. Government will work to ensure that all areas are treated equitably, including with relation to areas that

have already committed to year-three targets (details will be set out in the NI-112 target negotiating brief);

- In some cases there are still deferred targets, which will not be included in Reward. For these, following discussions with GOs, local areas may to set their own targets;
- For indicators where more recent data has become available, we do not expect this to be a subject for refresh.

Place Survey Indicators

- 15 There are 18 Place Survey indicators where some refresh may be necessary for technical reasons. The baseline and targets for these indicators agreed in Spring 2009 were based on the provisional Place Survey results released in February 2009. In June 2009 the Department released final results from the survey. The June release incorporated two changes to the national indicators: the NI scores changed (on average by only 0.3) and the confidence intervals changed by a factor of around 1.3. The latter change is the most significant for the purposes of LAA refresh, since the confidence intervals are used to calculate statistically significant targets (TNBs gives further details).
- 16 Since the confidence intervals were revised for the June release, it may be necessary to revise the target to ensure the agreed target remains statistically significant. The June 2009 release provides the national scores and confidence intervals for [each of the 152 areas](#), so the process of revising the targets should be straightforward.²

Local arrangements for LAA adoption

- 17 Any revisions to an LAA needs to be approved in accordance with local arrangements put in place by the responsible authority. The arrangements for preparing and approving any revisions to targets are set out in statutory guidance as well as general guidance on 'local choice' functions.³ GOs should obtain early reassurance from local authorities that such approval arrangements including delegated powers are in place **and are still valid**.

² The June 2009 release, including the detailed amendments to results in different local areas, is available here: <http://www.communities.gov.uk/publications/corporate/statistics/placesurvey2008> .

³ [Development of the new LAA framework - Operational Guidance 2007 - Local government - Communities and Local Government](#) (Section 4)

Timeline

18 The key milestones are set out below:

Mid Nov	Commission from Local Improvement Team in CLG. LSPs' 2009/10 Quarter 2 performance information should be available (optional for LAAs).
End Nov 2009	Departments to forward Target Negotiating Briefs to GOs via CLG
1 December	CQC publish outputs on Adult Social Care
10 Dec 2009	CAA results published on the Audit Commission's one place website
10 December	Ofsted children's services results
16 December	HMIC Rounded Assessment of Policing
December – January 2010	LAA Annual Review discussions between GOs and LAs and their partners using CAA evidence base and any local performance data
1 Feb 2010	GOs submit regional LAA Annual Review summary reports to CLG highlighting any proposed changes to LAAs.
Feb – March 2010	Refresh discussions. GOs to advise CLG of any unexpected changes
Feb – March 2010	CLG coordinated cross-Government view on any LAA changes and reports back to GOs
by 12 March 2010	Local Authority adoption of LAAs (NB: this is the deadline, but it might be in advance, depending upon schedule of Council or Cabinet Meetings).
by 17 March 2010	Refresh process concludes with submission of final LAAs to CLG with GORDs cover note confirming any changes from Annual Review summary or original LAAs.
by 31 March 2010	Ministerial Approval. GORDs to send out letters.

Annex A: the nine economic indicators		Dept
NI 116	Child poverty	DWP
NI 151	Employment rate	DWP
NI 152	Out of work benefits	DWP
NI 153	Out of work benefits in worst neighbourhoods	DWP
NI 154	New homes	CLG
NI 155	Affordable housing	CLG
NI 166	Median earnings	BIS
NI 171	New business registration rate	BIS
NI 172	% of small businesses in an area showing employment growth	BIS

Annex B: Place Survey Indicators		Dept
NI 1	% of people who believe people from different backgrounds get on well together in their local area	CLG
NI 2	% of people who feel that they belong to their neighbourhood	CLG
NI 3	Civic participation in the local area	GEO
NI 4	% of people who feel they can influence decisions in their locality	CLG
NI 5	Overall / general satisfaction with local area	CLG
NI 6	Participation in regular volunteering	CO
NI 17	Perceptions of anti-social behaviour	HO
NI 21	Dealing with local concerns about anti-social behaviour and crime issues by the local council and police	HO
NI 22	Perceptions of parents taking responsibility for the behaviour of their children in the area	DCSF
NI 23	Perceptions that people in the area treat one another with respect and consideration	DCSF
NI 27	Understanding of local concerns about anti-social behaviour and crime issues by the local council and police	HO
NI 37	Awareness of civil protection arrangements in the local area	CO
NI 41	Perceptions of drunk or rowdy behaviour as a problem	HO
NI 42	Perceptions of drug use or drug dealing as a problem	HO
NI 119	Self-reported measure of people's overall health and wellbeing	DH
NI 138	Satisfaction of people over 65 with both home and neighbourhood	DWP
NI 139	The extent to which older people receive the support they need to live independently at home	DWP
NI 140	Fair treatment by local services	GEO