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**Report of the Assistant Chief Executive (Policy, Planning and Improvement)**

**Scrutiny Board (City Development)**

**Date: 20 November 2007**

**Subject: Performance Management in the Local Area Agreement**

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**Electoral Wards Affected:**

ALL

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

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**Executive Summary**

The City Development Scrutiny Board has requested a report on the Local Area Agreement focusing particularly on the performance management arrangements for targets within the Agreement that fall within its responsibility.

## **1.0 Purpose Of This Report**

- 1.1 This report updates the City Development Scrutiny Board on the Local Area Agreement (LAA) focusing particularly on the performance management arrangements for targets within the Agreement that fall within its responsibility.

## **2.0 Background Information**

- 2.1. The LAA is an agreement between Leeds City Council and its local partners on the one hand and central government on the other to work in partnership to improve outcomes for local people and the city.
- 2.2. Leeds signed its current LAA in March 2006. The LAA brings together a number of funding streams into four 'blocks' to provide greater flexibility to reflect local priorities. The LAA consists of a number of targets to improve outcomes in Leeds. Some targets are mandatory for authorities like Leeds. Other targets are chosen locally and reflect local priorities agreed by the Council and its partners.
- 2.3. During the autumn of 2006 there was a mid-year review of performance in the LAA conducted with Government Office and a 'refreshed' LAA, with fewer more focused targets was adopted in April 2007. An LAA annual report was published in April which showed that 60 per cent of targets had been achieved in full and there had been improvement in 65 per cent of targets as a whole.
- 2.4. There are four Blocks in the LAA covering:
- Safer, Stronger Communities
  - Healthy Communities and Older People
  - Children and Young People
  - Economic Development and Enterprise

Each Block collects performance data quarterly and reviews performance and risks to the achievement of the targets. Each Block is chaired by a senior Council officer; the Economic Development and Enterprise Block is chaired by Paul Stephens, the Council's chief economic services officer.

- 2.5. Performance and risk for the LAA as a whole is considered by the Programme Management Board (PMB). The PMB is responsible for conducting mid-year and annual reviews of the LAA as a whole with Government Office. PMB can raise particular areas of concern where performance is not on target.
- 2.6. A small Performance Management Group of senior performance officers from the Council and its partners assist PMB to collect, analyse and interpret performance data. This Group also advises the LAA on the development of a performance management system for the LAA as a whole.
- 2.7. There is a LAA Strategy Group of the most senior officers from the Council and its partners which leads the strategic development of the LAA. This group is chaired by Paul Rogerson, the Council's Chief Executive and all the Council's Strategic Directors, including Jean Dent, Strategic Director for City Development, attend this group. This group can also challenge performance judgements, and review performance where this is a major concern to the viability of the LAA as a whole.
- 2.8. Leeds City Council is the accountable body for the LAA and Executive Board receives regular reports on LAA performance. Performance is also reported regularly to the Leeds Initiative Board.

### **3.0. Main Issues**

- 3.1. The new Local Government and Public Involvement in Health Act brings in a number of changes to Local Area Agreements. Local Area Agreements will become a statutory duty for local authorities. From April 2008 there will be a new LAA with a single 'pooled funding arrangement' which will bring together a number of different funding streams and give local authorities greater freedom as to how this is spent instead of the four current funding blocks.
- 3.2. The Council will have a duty to consult with a number of public sector bodies like the Police, Yorkshire Forward Leeds, Primary Care Trust and others when drawing up its Local Area Agreement. These partners will, in turn have a duty to negotiate and agree the targets in the LAA and to have regard to these targets when drawing up their own budgets and plans.
- 3.3. There will be no mandatory targets in the new LAA. Instead local authorities will negotiate and agree up to 35 targets with Government Office to reflect local priorities. Local Authorities can also include local targets, agreed with local partners which do not have to be reported to Government Office in the new LAA.
- 3.4. Accountability arrangements for monitoring performance in the new LAA are under development. A body similar to the current Programme Management Board will still be required to develop targets, monitor and manage performance, and allocate funding. Similarly, a steering body, bringing together partners at a senior level will be, if anything, more essential than before, given the need to consult with a number of named public sector bodies to agree the contents of the new LAA. The Director of the City Development Directorate will be a senior member of such a body as well as senior representatives from partners such as Yorkshire Forward, Jobcentre Plus and Learning and Skills Council.
- 3.5. The Leeds Strategic Plan is a partnership document and performance will continue to be reported regularly to the Leeds Initiative and some thematic groups like the Skills and Economy partnership.

### **Member Involvement**

- 3.6. The new Local Area Agreement will be part of the Leeds Strategic Plan, the new strategic planning document for the Council. This plan will also be part of the Council's policy planning framework and as such, will need to be considered by Scrutiny, before going forward to Executive Board and full Council for approval.
- 3.7. During October and November 2007 Members have been consulted on the draft strategic outcomes and improvement priorities for the new LAA. Overview and Scrutiny Committee and Scrutiny Boards will be consulted on the indicators and targets to be included in the Plan to measure the achievement of the improvement priorities in the Leeds Strategic plan during February and March 2008.
- 3.8. The scope of the Council's Overview and Scrutiny Committee and Scrutiny Boards will be extended to include the activities of these public sector bodies to deliver targets in the LAA. A protocol for this was agreed by Overview and Scrutiny Committee on 11 September 2007. This will provide a new channel for scrutinising performance of key services in the city.

#### **4.0. Consideration by Scrutiny Board (City Development)**

- 4.1. The City Development Scrutiny Board has been consulted on the draft improvement priorities and strategic outcomes to be included in the Leeds Strategic Plan. The Scrutiny Board will be consulted on indicators and targets to be included in the Leeds Strategic Plan in the February cycle of Scrutiny meetings.

#### **5.0. Implications For Council Policy And Governance**

- 5.1. As part of the Leeds Strategic Plan the Local Area Agreement will shape the improvement priorities and strategic outcomes for the Council and will influence service and thematic plans and area delivery plans.

#### **6.0. Legal and Resource Implications**

- 6.1. The Leeds Strategic Plan will influence the allocation of the Council's resources to meet the improvement targets and strategic outcomes in the plan. The Leeds Strategic Plan will incorporate the duty to consult with named public sector partners to agree the Local Area Agreement for Leeds.

#### **7.0. Recommendations**

- 7.1. The Scrutiny Board (City Development) is requested to:
- Note the contents of this report.