1. **SUMMARY**

1.1. Waltham Forest was one of fifteen London local authorities included in the Government’s second wave of Local Area Agreement (LAA) pilots due to start in April 2006. It is the Government’s intention to roll out LAAs across England over the next two years.

1.2. Cabinet agreed on 13 December 2005 to delegate authority to the Chief Executive, in consultation with the Leader of the Council, to negotiate the final Waltham Forest Working Together (WFWT) LAA. This paper provides an update on progress in negotiating the agreement with central government, a brief overview of the agreement and attaches the draft agreement for reference.

2. **RECOMMENDATION**

2.1. For Cabinet Decision

2.1.1. Cabinet is requested to agree to continue to support the draft LAA as the basis for continuing negotiations with government and partners.

3. **REASON FOR DECISION**

3.1. The approval of the WFWT LAA is a key decision, requiring Cabinet approval as it has a significant impact on delivering priorities in the borough.

4. **PROPOSAL**

4.1. The WFWT LAA is a three year agreement of local priorities between central government and the local area represented by the local authority, the LSP and other key partners. The agreement will be refreshed annually to reflect changes in national or local priorities. The LAA is currently being negotiated with the Government Office for London and the core elements of funding details and reward element targets have to be agreed by 6 February to enter into the ministerial sign-off process. The LAA will start on 1 April 2006.

4.2. The agreement is made up of **outcomes**, **targets** and **indicators** aimed at delivering a better quality of life for residents through improving performance on
an agreed range of national and local priorities. The first agreement is a pilot and the LSP agreed to keep it realistic and practical for that reason. During development of the LAA it became clear that it offered significant opportunities to ensure the Council and its partners could work more effectively together in delivering the shared priorities set out in the new Community Strategy. Two such examples are:

4.2.1. The links between the development of the Children and Young People’s Plan (CYP Plan) and the LAA CYP block have allowed consideration to be given to how the freedoms and flexibilities available through the LAA can inform the vision for improved service delivery as set out in the CYP Plan’s transformation chapter. One of the key areas of transformation is to use extended schools and Children’s Centres to offer a more personalised service to residents.

4.2.2. In developing a broad partnership approach to tackling worklessness with the Learning and Skills Council, Jobcentre Plus and North London Connexions it is clear that offering a more personalised service to those furthest from employment is key. The LAA facilitates this by allowing previously fragmented funding streams to be brought together, avoids duplication of effort and provides a greater focus for partner activity and resources.

4.3. The development of the LAA has sought to build upon good practice in the borough, such as the extended schools pilots and local employment initiatives such as the STEP programme, which are offering more personalised services to address local people’s problems. The focus on addressing issues at the local level is linked with the development of the borough’s new approach to neighbourhood renewal - the Better Neighbourhood’s Programme – which offers an excellent opportunity to improve the lives of residents in the most deprived neighbourhoods through more targeted use of neighbourhood renewal funding.

4.4. **Better Neighbourhoods’ Initiative**

4.4.1. The proposed Better Neighbourhoods’ Initiative has been designed to deliver improved outcomes for residents in the borough’s most deprived small areas using neighbourhood renewal funding (NRF) and safer stronger communities funding (SSCF). It builds on evaluation of the current NRF programme, which highlighted a number of changes that need to be made in the light of local experience and national best practice. The mandatory NRF and SSCF outcomes have to be included in the LAA as the NRF and SSCF resources will be pooled as part of the agreement. A report on the Better Neighbourhoods’ Initiative is also on the agenda for Cabinet agreement.

4.5. **Focus of the Waltham Forest Working Together Local Area Agreement**

4.5.1. The draft LAA reflects the Community Strategy, emerging CYP Plan, the proposed Better Neighbourhoods’ Initiative and other relevant local strategies.

4.5.2. Based on available evidence, the focus of our Local Area Agreement was identified as ‘healthy, achieving and safe’. This will enable the LSP to focus activity on outcomes where significant improvements are needed, especially in relation to delivering against the mandatory neighbourhood renewal floor targets, and to develop a framework to consider the benefits of the Olympic 2012 legacy.

4.5.3. The WFWT LAA contains 11 outcomes, 43 targets and 56 indicators that we are proposing central government should use to measure the LSP’s
performance in delivering the Community Strategy and the linked LAA priorities. The LSP has requested a total of 21 freedoms and flexibilities from central government to assist delivery against these outcomes and targets. Even at this late stage central government is negotiating the inclusion of indicators linked to our request to pool Sure Start funding.

4.5.4. The LAA has not yet been agreed and the experience of the first round of pilots is that central government will not grant many of the requested freedoms and flexibilities. However, it is clear that LAAs will become increasingly important in the future, once they have been further developed across central government departments as the mechanism to agree local priorities and monitor performance in a less bureaucratic way. The LSP’s involvement as a second round pilot will be a definite benefit in the future.

4.6. **Timescale**

4.6.1. The timescale set by government for this round of LAA pilots is extremely tight. There are key meetings with government representatives, key decision points and a range of activities throughout the remaining period for development. The key milestones are:

- up to 06 February – negotiate core element of LAA with government office
- 17 March – resolve non-core issues with government office and partners
- 27 March – LAA signing event with government ministers
- 01 April – LAA delivery begins

5. **ALTERNATIVES CONSIDERED**

5.1. Not to proceed with the LAA. This would have made the delivery of residents’ priorities, as expressed in the Community Strategy, more difficult and prevented access to freedoms and flexibilities to support delivery of residents’ priorities. The LAA process will strengthen partnership working through the LSP by better aligning funding streams, partner priorities and delivery.

6. **CONSULTATION**

6.1. The LAA reflects the vision and priorities developed for the new Community Strategy, which were based on extensive consultation with residents and partner organisations and re-affirmed at the LSP conference. Additionally, many of the outcomes and targets are mandatory so do not require consultation.

6.2. Partner organisations, including the voluntary and community sector, have been involved in the project management structure for the LAA. In addition to the Community Strategy, the LAA has also been informed by the Safer and Stronger Communities Fund Agreement 2005-08; the Health of the Borough Debate; the draft Children Young People’s Plan; and the draft Older People’s Strategy - all of which have a consultative element.

7. **IMPLICATIONS**

7.1. **Financial**

7.1.1. Other than the reward element (old LPSA) pump-priming funding (£971,577) and potential performance reward grant (£7.9m), there is no ‘new’ money for LAAs. Pump-priming funding is suitable for financing one-off initiatives to improve services rather than ongoing expenditure.

7.1.2. The pump-priming funding must be spent on the stretch targets and best practice will be followed by allocating the reward grant to relevant partners who are successful in meeting the targets who will be expected to re-invest the grant in similar priorities for improvement. All relevant
allocations are set out as part of the LAA. Partners and service directorates will be required to report on their PPG spend as part of the established financial accounting for NRF spend.

7.1.3. Partners can agree to align mainstream funding with LAA funding locally and attempt to negotiate relaxations in the performance and financial management of that funding. NRF and SSCF funding should be pooled.

7.2. Legal
7.2.1. The Council will need to ensure that the final LAA arrangements protect the Council’s legal and financial interests. LAA’s are generally established as unincorporated associations of partner bodies. Such associations have no separate legal status and cannot sue or be sued. Liability will fall on the individual partners. The Council and its partners must also be clear that the partners have the legal powers to determine and perform the functions in the LAA. Clear governance arrangements must be in place to avoid the risk of legal challenge.

7.3. Human Resources
7.3.1. There are no human resource implications that result from the LAA.

7.4. Health Impact Assessment
7.4.1. Interventions supporting many of the targets will benefit everyone in the borough. The mandatory targets associated with funding streams such as NRF prescribe a focus on social inclusion, including health outcomes, in particularly narrowing the gap either in terms of deprived areas or disadvantaged groups.

7.4.2. The LAA’s focus on health means that there are targets throughout the four blocks either directly related to health outcomes or with a proven link to long-term health outcomes, such as educational attainment and employment.

8. CONCLUSION
8.1. There is no doubt that finalizing the LAA will be a challenge for the Council and its partners. However, this is a clear opportunity to galvanize the work of partners through the LSP and set about delivering significant improvements to the lives of our residents in line with the Community Strategy’s vision and priorities.

This report has been cleared after discussion with the Leader of the Council

Signed: Date: 10/02/06

Councillor Clyde Loakes
Leader of Waltham Forest Council
Appendix A

Waltham Forest Working Together – Local Area Agreement

See attached document