

# Briefing Paper



## **Local Area Agreements - Aligning strategies at a local level – Housing**

### ***Purpose of this Paper***

The purpose of this paper is to provide an introduction to Local Area Agreements (LAAs) and the role that housing has to play within these. This document complements a sister document looking at how Supporting People priorities can be incorporated in LAAs.

### ***Background***

Plans for LAAs were first announced in the 2004 Spending Review and they form part of government's 10-year vision for the future of local government. LAAs represent a new approach to improve co-ordination between central government and local authorities and their partners. They are outcome based and focus on a collection of goals across a range of services, which can relate to either national or local priorities. The pilot stage of LAAs involved 21 local authorities, representing a mixture of different sizes, geography and performance. These agreements were officially signed on 22 March 2005 and a further 66 authorities have been chosen for the second phase of the pilot, beginning in April 2006. It is anticipated that all authorities will have a LAA by April 2007.

### ***Framework of Local Area Agreements***

LAAs represent a radical new approach to improve co-ordination between central government and local authorities and their partners, they are negotiated by local authorities on behalf of their Local Strategic Partnerships and their Government Office (GO) on behalf of central government. The LAA framework aims to align or rationalise funding resources, reduce bureaucracy and enhance efficiency. The framework is based around four sub-blocks (the fourth of which was added later and more details of these can be found later in the document):

- Children and Young People
- Safer and Stronger Communities
- Healthier Communities and Older People and, more recently
- Economic Development and Enterprise

Each Local Authority in negotiation with their GO will examine local priorities based around these themes and they will be able to implement targeted solutions to benefit the local community, whilst contributing to national targets. It is important to note that these themes are not meant to operate in silos and there will be occasions when issues are cross cutting and will be able to achieve objectives in a variety of themes. The progress and performance management of LAAs is expected to be outcome based meaning that progress will be assessed against a number of measures depending on the funding stream chosen and the goals attached to that particular funding stream. The box below sets out the key elements that form the LAA package as set out in the 2004 ODPM document "Local Area Agreements: a prospectus";

## **The key elements of LAAs**

- Simplified funding for Safer and Stronger Communities
- Strengthened national strategy for Neighbourhood Renewal
- Strengthened Local Public Service Agreements and
- A stronger role for Government Offices

### **Simplified funding for Safer Stronger Communities**

The Safer Stronger Communities Fund announced in the 2004 Spending Review, brings together a number of different funding streams from the ODPM and the Home Office. The fund will now be administered as part of the LAA scheme. Further details of this are set out later in this document.

### **Strengthened National Strategy for Neighbourhood Renewal and Other Funding**

In addition to funding through the Safer Stronger Communities Fund, LAAs in deprived areas can also receive funding through the Neighbourhood Renewal Fund, allowing issues such as liveability to be addressed. These issues will be considered later in this document.

### **Strengthened Local Public Service Agreements**

The first round of LPSAs began in 2000 and they provide a framework through which local authorities and other local organisations agree challenging targets with central government. These targets can run across the full range of local services including; education, social services/health, crime reduction and transport. Achievement of these targets leads to financial rewards, paid directly by the government. In addition funding for this programme is available through pump priming grants, which are sums of money made available at the start of LPSA programmes for service improvement. Negotiation of LPSAs was previously carried out by the ODPM, however under the LAA framework Government Offices will be responsible for negotiations of LPSA. These will still be voluntary three year arrangements however there is now a greater emphasis on local priorities and partnerships and such agreements can now be incorporated into LAAs.

### **Stronger role for Government Offices**

Under the proposals for LAAs regional Government Offices will take over a number of roles previously undertaken by central government. Government Offices will have a lead role in negotiating and agreeing outcomes for the Stronger Safer Communities Fund and the Local Area Agreements, including the Public Service Agreement elements, discussed above. It is important to note that they will not make decisions on how these priorities are delivered as this will be decided locally. Within the Government Offices there will be a Regional Director to oversee a regional relationship team, to lead the process for each LAA, monitor and evaluate them. The regional relationships teams will be able to draw on their local knowledge to help negotiate the best outcomes for the LAAs.

### **Perceived Advantages of LAAs:**

- Focus on range of agreed outcomes that are shared by all the delivery partners locally and which they all agree to work towards achieving;
- Rationalise the number of additional funding streams from central government going into an area and pooling or realigning existing budgets help to join up public services more effectively and allow greater flexibility for local solutions for particular local circumstances;
- Devolve decision making away from a 'Whitehall knows best' philosophy and reducing bureaucracy, allowing efficiency gains and greater proportion of public servants to be directly involved in front line delivery;
- Efficiency gains through the reduction of administration costs in running fewer individual programmes and funding streams, and simplified monitoring and auditing requirements;
- Joint working will be promoted and the role of the Local Strategic Partnership will be strengthened.

Source: Local Area Agreements: a prospectus. ODPM 2004

### **Role of Housing in LAA**

Advice and guidance on developing LAAs include little direct mention of housing within the possible outcomes. Indeed in documents setting out the content of the four sub-blocks of LAAs there is little mention of housing issues. This section considers how housing can fit into these blocks and draws upon work of the pilot authorities to guide these ideas. Again it is important to note that guidance on the content of the following blocks highlights that the themes are not intended to operate in isolation and it is possible that some targets may be cross-cutting, meaning a best fit approach may be adopted.

### **Children and Young People**

This block sets out the local authority area's contribution towards national priorities for children and young people, and the area's local priorities reflecting their individual circumstances. This block supports the governments "Every Child Matters: Change for Children Framework" which highlights that whatever a child's background or circumstances they should have the support to:

- Be healthy
- Stay safe
- Enjoy and achieve through learning
- Make a positive contribution to society
- Achieve economic well-being

This block will be influenced by the work that is underway to integrate children's services by bringing together all services for children and young people in an area and pooling resources through the development of children's trusts. The government expects all Local

Authorities to have a children's trust in place by 2008. These trusts are hoped to address the fragmentation of responsibilities for children's services and it is hoped that they will build upon, bring together and formalise the joint work that is already taking place in many local areas. The programme aims to identify at an early stage children and young people at risk of social exclusion, and make sure they receive the help and support they need to achieve their potential. The LAA framework may be based around these objectives.

Research conducted by Shelter demonstrates that children affected by homelessness, overcrowding or poor housing conditions suffer enormously in terms of education, health and development thus impacting on the targets highlighted above. Within their briefing paper 'End Child Poverty Once and for all: Child Poverty, Housing & Homelessness' Shelter provide a number of instances where poor housing and living conditions can impact upon a child's well-being. The development of LAAs presents the opportunity for such issues to be tackled through this block as improved housing would enable better educational achievement and improved economic well-being for children and young people.

The objectives of this block can be achieved through a number of routes; for example Devon Children's Trust has recently developed an integrated housing and children's service strategy, the priorities of which can be picked up through their LAA. Furthermore under new statutory duties there is requirement for Local Authorities to produce a Children's and Young Peoples Plan (CYPP) outlining outcomes and targets for the achievement of well-being in children and young persons. It is recommended that housing issues are included within this document, creating further opportunity for these issues to be included in LAAs. Suffolk County Council through their pilot LAA aim to increase affordable housing delivery, addressing the lack of access to housing for young people which in turn contributes to an age imbalance in the county.

### **Safer and Stronger Communities**

The starting point for the Safer and Stronger Communities Block is the Safer and Stronger Communities Fund. The fund brings together ODPM funding streams for wardens, neighbourhood management, community empowerment and liveability, with Home Office funding streams for building safer communities, and anti-social behaviour (ASB) and reducing the harm caused by the misuse of illegal drugs. The purpose of the fund is to help partners to work together in addressing priorities. Funding will be allocated to different areas in accordance with the Government's assessment of need and national priorities. However the fund will be administered through the LAAs.

From 1 April 2006, new resources will be available for inclusion in SSCF agreements and Local Area Agreements to support outcomes in the most disadvantaged neighbourhoods. These two new funding streams are referred to as the Neighbourhood Element and Cleaner Safer Greener Element. The government has set out high-level national targets for the SSCF, drawing on Public Service Agreements such as the liveability target and the cleaner, safer and greener local environments target. The four national outcomes of the fund are as follows:

- To reduce crime, to reassure the public by reducing the fear of crime and anti-social behaviour and to reduce the harm caused by illegal drugs
- To have cleaner, safer and greener public spaces
- To increase the capacity of local communities so that people are empowered to participate in local decision-making and are able to

- influence service delivery
- To improve the quality of life for people in the most disadvantaged neighbourhoods and ensure service providers are more responsive to neighbourhood needs and improve their delivery

There is no doubt that housing issues will play a key role in the achievement of these outcomes and there are many possibilities for linking housing to the above aims. For example there are opportunities for joint working in areas such as housing development i.e. the development of new or affordable housing in the right places to help create sustainable communities. With regards to helping to combat problems related to crime, drugs and ASB there is scope for the provision of supported housing or introducing local schemes with housing providers. With regards to neighbourhood priorities LAAs may want to tap into issues such as decent homes in the public and private sector or look into other ways of improving the liveability of an area.

Stockton On Tees Borough Council, one of the 21 pilot authorities, took a broad approach to this block, on the basis that communities are safer and stronger if there are good opportunities for regeneration and jobs, improved housing and cleaner and a greener local environment. As part of Stockton's LAA there was a specific project aimed to diversify funding contributions to a domestic violence service, bringing together ODPM homeless funding and English Partnerships funding.

### **Healthier Communities and Older People**

This block aims to achieve a more integrated response to public health issues. It not only addresses the health needs of older people but the whole population. This block covers a range of targets for healthier communities and is aimed to provide practical action on the Department Of Health White Paper, 'Choosing Health: making healthier choices easier'. Choosing health aims to:

- Increase the quality of life and life expectancy
- Reduce inequalities in health
- Improve the chances people have to engage in healthy choices
- Encourage healthy lifestyles

The department of health is currently developing outcome measures and indicators for this and in addition there are a number of indicators and measures that can be used to assess progress on this block. The Department for Work and Pensions are developing a guiding set of indicators that can also be used as a tool to measure outcomes on the quality of life of older people. In addition the government's proposed vision for Adult Social Care also offers a basis from which the needs of older people can be considered. Whilst there is not a specific framework for this block, LAAs will be expected to consider the PSA targets for the health of the public and supporting older people's independence. The block also aims to reduce the health inequalities that exist between areas and groups and in the most deprived areas LAAs will be able to tap into the Neighbourhood Renewal Fund. In terms of housing issues there are a number of links. It has already been recognised that LAAs should address and respond to issues beyond health and social care and addressing a number of housing issues may help to contribute to the overall aims of this sub-block.

This document has already highlighted the role that poor housing conditions play in terms of peoples health and it is possible for this block to be linked into issues surrounding the new Housing Health and Safety Rating System. In addition as part of the growing agenda

to promote independence for older people issues such as housing adaptations and the use of technology in the home may be addressed. Further to this it may be possible to incorporate elements of the local older persons strategy into the LAA and it may help with the re-modelling of existing older persons stock to ensure it meets households needs in the future. There is also an obvious link between Supporting People these links are considered in the sister document which accompanies this briefing.

With regards to the pilot authorities Bradford City Council have managed to address the affects that poor housing has on health through their LAA by focusing on improving housing conditions in the private sector. In addition Brighton has improved housing for older people by aligning Disabled Facilities Grants and Energy Efficiency Funding. Of course these are only some of the ways that housing issues can be incorporated into the LAA framework.

## **Economic Development and Enterprise**

This block was a later addition to the LAA framework. The block provides the opportunity to improve the economic growth and productivity of an area, addressing market failures that prevent sustainable economic development, regeneration and business growth. Issues such as employment, enterprise, skills, innovation, investment and competition can be addressed within this block. It is recognised that this will involve working across administrative boundaries and will involve a number of regional agencies such as the Regional Development Agencies, Regional Skills Partnerships and Business Link Networks etc and outcomes for this block will be expected to fit within the aims of the Regional Economic Strategy and other sub-regional economic plans, such as;

- Job creation
- Skills development
- Business creation and growth
- Land-use planning

In March 2005 the government consulted on the development of a Local Enterprise Growth Initiative (LEGI), which some LAAs could apply for. The initiative aims to support locally developed and owned proposals to pursue new or proven ways of stimulating economic activity and productivity through enterprise development. LEGI aims to support around 30 local authorities and only those in Neighbourhood Renewal Fund areas will be eligible to apply and funding will be granted based on an assessment of whether the LAA can achieve the outcomes for this scheme. As it stands funding is due to begin in the 2006/07 financial year and £300m has been earmarked for the next 3 years.

There is no doubt that housing plays an important role in the economy. Housing contributes to the image of an area as an attractive place to live, work and invest and is itself a major contributor to the economy in terms of construction and housing market renewal. Addressing issues such as housing market failure will help contribute towards the creation of sustainable economic development as areas will become more desirable to live and invest in. Therefore this sub block of the LAA framework can be used as a key delivery vehicle for the Northern Way Growth Strategy which aims to reduce the £30 billion output gap between the North of England and the rest of the country.

## Other issues that agreements may cover

In addition to addressing housing factors there are also a number of other issues that can be addressed which will have an impact and feedback into the four main themes for LAAs and impact upon housing issues;

- Transport
- Culture and Sport
- Rural areas
- Environment

## Future Thoughts

The Northern Housing Consortium would welcome members views around the following issues:

- **The degree of flexibility within LAAs** - It is our understanding that some authorities have put forward quite radical, but well evidenced suggestions for their LAA but have been refused. What is your experience of this? How flexible are LAAs? How can this be tackled?
- **Should LAAs remain at Local Authority level?** – There is an increasing emphasis on working at a sub regional level. Is there a need to shift LAAs to this level? What would be the implications of this?

If you would like to comment on the above issues please contact:

Charlotte Howse – Head of Policy and Practice

[Charlotte.Howse@northern-consortium.org.uk](mailto:Charlotte.Howse@northern-consortium.org.uk)

Or

Natalie Hodgson – Researcher

[Natalie.Hodgson@northern-consortium.org.uk](mailto:Natalie.Hodgson@northern-consortium.org.uk)

## Conclusions

It is clear that housing issues can be addressed through the LAA framework, whilst helping to meet national and local targets and impact on issues across the four sub blocks. Good practice from the original 21 pilots has revealed a number of ways in which housing can be incorporated into the framework and it is hoped that this good practice will aid authorities to do so in the future.