



Briefing Paper

Local Area Agreements - Aligning strategies at a local level – Supporting People

“local area agreements...are the most significant change in public service and local funding that we have had since the Second World War”

Phil Woolas MP, at the New Local Government Network (NLGN) Conference 27 October 2005.

Purpose of this Paper

The purpose of this paper is to provide an introduction to Local Area Agreements (LAAs) and the role that the Supporting People programme has to play within the development of these significant policy initiatives. This document builds upon the framework outlined in a sister document “Local Area Agreements, aligning strategies at a local level: housing” looking at how housing 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. These represent a mixture of different sizes, geography and performance and include 5 pilots which are testing the inclusion of Supporting People Funding. 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.

LAA Rational

The development of LAAs focuses on new ways of leading on public and private partnerships:

- To improve the delivery of even more efficient and effective public services;
- To overcome disadvantage and improve people’s quality of life.

LAA's represent a radical new approach to improve co-ordination between central government and local authorities and their partners, working through their Local Strategic Partnership.

The advantages:

- The focus on a range of agreed outcomes that are shared by all the delivery partners locally and which they all agree to work towards achieving;
- Rationalising 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;
- Devolved decision making away from a 'Whitehall knows best' philosophy and reducing bureaucracy, allowing efficiency gains and a greater proportion of public servants to be directly involved in front line delivery in every region of the country;
- Efficiency gains through the reduction of administration costs in running fewer individual programmes and funding streams, and simplified monitoring and auditing requirements;
- Central government will continue to set high level strategic priorities and targets but will allow local authorities and their partners to decide jointly which local priorities best reflect local circumstances while still contributing to the achievement of national targets;
- Joint working will be promoted and the role of the Local Strategic Partnership will be strengthened;
- Regional Government Offices (GOs) will be strengthened and have a key role in negotiating LAAs they will; lead the process, assess the fitness for purpose and robustness of LAAs and monitor and evaluate them.

Source: Local Area Agreements: a prospectus. ODPM 2004

However, issues and difficulties remain as to the ability of partnership working and the capacity of individual LSPs to deliver comprehensive and effective local strategic plans.

Framework of LAAs

Each Local Authority will examine the local priorities in relation to 4 broad themed categories or functional blocks. These blocks are:

- Healthy communities and older people;
- Children and young people;

- Stronger and safer communities;
- Enterprise and growth.

In March 2005 the Secretary of State for Health agreed to ODPM's proposals to integrate the LAA and Local Public Service Agreements processes. LPSAs provide a framework through which local authorities and other local organisations agree challenging targets with central government. These include twelve targets for specific improvements in performance, and these can run across the full range of local services. Financial rewards paid directly by the government, are associated with the achievement of these targets.

Unlike LAAs, which either pool or align existing funds, Local Public Service Agreements provide additional funds for the area concerned. The financial rewards are divided into Pump Priming grants and the Performance Reward Grant (PRG). Negotiation of LPSAs was previously carried out by the ODPM, however under the LAA framework Government Offices will be responsible for negotiations of LPSAs. 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.

Changes to Primary funding areas:

Safer and Stronger Communities Fund announced in spending review 2004 rolled out across LAs in England from April 2005 will include funding streams from ODPM on wardens, neighbourhood management, community empowerment and liveability with Home Office streams on building safer communities, anti-social behaviour and funding through Government Offices.

Administered by whole area authorities (Counties in 2 tiers) LAAs will be negotiated with district authorities and partners including Crime and Disorder Reduction Partnerships. They will be negotiated taking into account high level central government priorities for the fund such as PSAs to tackle liveability, delivering cleaner, safer and greener environments and Home Office PSA targets for crime.

Local Authorities and partners will set local priorities for the fund based on their community strategy and the work of the LSPs and its constituent bodies. Citizen participation in establishing local priorities will be vital and provide credibility to determining outcomes and provide a clear connection between active citizenship and improvements within a locality.

Based on the above, the GOs will broker an agreement on the priority outcomes to be achieved locally with how these are delivered to be determined by the LA and partners.

Neighbourhood Renewal Funding and its delivery mechanisms will integrate the National Strategy for Neighbourhood Renewal with the LAAs to clarify arrangements for cascading renewal priorities to local partners, enhance performance management of delivery and further the emphasis on mainstreaming.

Supporting People Programme

This programme provides funding for housing related support services and aims to deliver low levels of support and prevention services to maintain independence and support tenancies. At present SP funding is unable to be pooled within LAAs due to the restrictive and complex national grant condition system.

However, the government published a National Supporting People Strategy on 15th November 2005 which includes the proposed integration and administration of the Supporting People Programme through LAAs. This it maintains will enable a greater flexibility over how it spends the funding and potentially integrate with expenditure on other local services. The LAA would make possible the delivery of outcomes within a managed structure which would permit structured unring-fencing of the funds whilst ensuring an appropriate focus on local delivery (ODPM SP Strategy, 2005).

Concerns are being expressed by Administering Authorities that without ring-fencing, SP funds will be diverted to support the growing deficits in social care budgets faced by many authorities. This will erode the low level preventative agenda supported by the programme, also, by allowing the pooling of SP funds and the emphasis on local priorities, the development of LAAs will lessen the coverage of cross-authority provision for mobile, socially excluded groups.

Without the protection of the ring-fenced SP programme, many “unpopular” services such as drug and alcohol and homelessness support services may fail to compete successfully with the other priorities in LAAs. Despite featuring heavily within the healthy communities and older people blocks, the SP programme also contributes to the children and young people block through the impact of homelessness and the development of holistic support services to access and maintain stable quality accommodation (Every Child Matters legislation). Concerns continue that taking different approaches for different client groups and coordinating funding through LAAs will make it more difficult for authorities and service providers to coordinate provision and ensure consistence and continuity.

The alignment of SP programme may further enable the integration of community health, social care and housing support services to enable localities to achieve wider health objectives as all mainstream funding for Primary Care Trusts is included. Typical cross-cutting goals developed within LAAs include:

Healthy communities and older people:

- Decrease the number of older people requiring hospital admissions as a result of a fall to 1.9%;
- 10% reduction in the number of people aged 75 or over who have a fall resulting in a fracture of the femur;

- 10% reduction in the number of admissions to residential or nursing care as a result of a fall;
(Barnsley Metropolitan Council – LAA agreed March 2005)
- Increase the proportion of older people supported to live in their own home by 1% annually in 2007 and 2008;
- By 2010 to increase the number of people aged over 65 years helped to live at home from the current number of 122 to 135 per 1,000 population;
- Reduce the number of acute bed days;
(Gateshead)
- Improving the quality of life and independence of dependant older people, by supporting them to live in their own homes wherever possible;
(Bradford)

If mainstream funding from Health, Care, Supporting People and Housing budgets can all be aligned to contribute towards a preventative approach towards these goals, then the original rationale of the SP programme may not be lost within the competing demands and approaches to service delivery within localities.

Outcomes

Early evaluation of pilot LAAs have raised some questions about the effectiveness of this initiative to deliver coordinated value for money services to a locality.

Good governance, performance management and strong partnerships are seen to be a key to success. In many respects SP already has many of the elements required with the development of the assessment and commissioning frameworks and service integration especially in older people services.

Benchmarking and the drive for value-for-money are determining factors in the resource conscious commissioning and administering bodies. Whether the promised freedoms, flexibilities and reduced bureaucracy of LAAs can be realised with the current SP remains to be seen and evaluation of the 5 pilot authorities which include the SP programme is anticipated.

Future Thoughts

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

- **The degree of flexibility within LAAs** – What is your experience of delivering Supporting People related services through LAAs? How flexible are LAAs for this purpose? How can this be tackled/improved?
- **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:

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