

DECISION-MAKER:	CABINET		
SUBJECT:	SOUTHAMPTON'S 2010 LOCAL AREA AGREEMENT REFRESH		
DATE OF DECISION:	15 FEBRUARY 2010		
REPORT OF:	ASSISTANT CHIEF EXECUTIVE (STRATEGY)		
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STATEMENT OF CONFIDENTIALITY

None.

SUMMARY

Southampton's Local Area Agreement (LAA) covering the period 2008/9 to 2010/11 was developed by the City Council in conjunction with other local, regional and national partners to help improve key public services provided to local residents in the city. Although it is a formal 3 year agreement between local partners and the government, with the consent of both parties the improvement targets contained within it can be updated on an annual basis to reflect any significant changes in local or national circumstances.

The Council must ensure that any proposed changes to these nationally agreed targets are supported by partners and are negotiated and agreed with representatives from relevant government departments by the beginning of March.

At the Council meeting in May 2008 members agreed that the approval of any changes to the LAA should be provided by the Executive rather than Full Council. This report therefore seeks the Cabinet's endorsement of the re-negotiated economic development targets within Southampton's LAA, as well as adjustments that have been made to the designated targets as a result of formulae or definition changes, to ensure that they reflect changes that have occurred at a national and local level over the past twelve months.

RECOMMENDATIONS:

- (i) To approve the re-negotiated "designated" targets set out in Appendix 1 to enable them to be formally agreed by partners and representatives of government departments for submission to the Secretary of State by the 17th March.
- (ii) To delegate authority to the Chief Executive, following consultation and agreement with appropriate Cabinet Members, to amend the designated targets set out in Appendix 1 to reflect any feedback from stakeholders or formulae changes prior to their submission to the Secretary of State.

REASONS FOR REPORT RECOMMENDATIONS

1. The Local Government and Public Involvement in Health Act places a duty on local authorities to prepare a Local Area Agreement (LAA) for their area and a further duty on a number of specified public sector partners to co-operate with

the council in its development, negotiation and subsequent delivery. The Council has a statutory duty to approve any proposed amendments to the 34 "designated" targets contained within the LAA on behalf of local partners to enable them to be formally submitted to the Secretary of State for Communities and Local Government for approval by the end of March.

2. At the Annual Council meeting on the 14th May 2008 it was agreed that the approval of the targets within Southampton's Local Area Agreement should be the responsibility of the Executive rather than Full Council.

CONSULTATION

3. The City Council is responsible for the development and implementation of Southampton's Local Area Agreement (LAA) in conjunction with key delivery partners in the city and other regional and national stakeholders.
4. When the current LAA was submitted to the Government in March 2009 the Council expressed concern about the potential deliverability of some of the economic indicators within the document, which were largely based on performance levels before the recession started to have a significant impact locally. As a result the Council on behalf of all partners in the city agreed with the DCLG that it would not "lock down" the economic indicators contained within the LAA enabling them to be re-negotiated as necessary when the impact of the recession became clearer. In November the Council confirmed to the government that it wished to re-negotiate the targets relating to affordable homes and the percentage of working age people in the city who are claiming out of work benefits.
5. The Council as the lead delivery partner for both of these designated targets has been involved in the negotiation of the revised improvement targets with government department representatives to ensure that the targets within the LAA remain challenging but are capable of delivery by the end of LAA period. The Cabinet Members for the Economic Development and Housing & Local Services Portfolios have played an active role in these negotiations and support the revised proposals set out in this report.
6. Prior to the formal submission of the designated targets to the secretary of state in March the Council must ensure that it has also secured the co-operation of other key partners in delivering these revised targets. This process is currently in train together with discussions on any adjustments to the targets that have been introduced as a result of formulae or definition changes during the course of this year.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

7. As an "upper tier" authority the City Council is required to formally submit any proposals to refresh the improvement targets contained within the LAA that have been agreed with its partners to the Secretary of State by the 17th March 2010.

DETAIL

8. In 2008 the Council and its partners agreed 34 service improvement measures selected from the National Performance Indicator set where it wished to accelerate the current rate of progress within the city. These improvement measures and their 3 year targets were negotiated with

representatives from government departments and formally agreed with the Secretary of State for Communities and Local Government in June 2008.

9. Since the LAA was updated last year the recession has had an adverse impact on some of the designated targets within the city's LAA. Agreement has therefore been reached with the Government Office for the South East that the economic development related targets within the LAA can be revisited. The Council has chosen to focus its negotiations on two of these measures relating to the forecast number of affordable homes and the level of out of work benefits expected at the end of March 2011.
10. The negotiations surrounding the forecast number of additional affordable homes within Southampton by the end of March 2011 have now been concluded. The re-negotiated target set out in Appendix 1 therefore reflects a change in the expected phasing of when schemes will be completed in rather than a downturn in the council's commitment to increasing the overall number of affordable homes in the city.
11. The negotiations surrounding out of work benefits have also been concluded. These negotiations have been complicated by a change in the definition relating to this national indicator, which should now be expressed in terms of the gap between the city's performance and the rate being achieved at either a national or regional level. A proposal to change this indicator based on closing the gap between the local and regional positions was submitted to the Government Office for the South East in January which has now been agreed.
12. It should be noted that since the National Indicator set was launched in 2008 a number of government departments, such as the Home Office and Department of Health, have published revised definitions and approaches to some of these indicators making it difficult to establish baselines and consistent targets in some areas. Where revised baselines and measures have had to be established as a result of changes to the National Indicator Set over the past year these amendments are highlighted by an "amber" negotiation indicator within the attached appendix pending their approval by Cabinet as well as delivery partners.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

13. 28% of the Performance Reward Grant that is payable for the successful delivery of all of the designated targets within the LAA will be paid to the City Council as a capital sum.

Revenue

14. The total amount of the designated target Performance Reward Grant is currently £350 Million nationally. This will be distributed to local authorities on the basis of 0.54% of their 2006/7 Net Budget Requirement plus their Dedicated Schools Grants. In Southampton this equates to a reward Grant of £1.426 Million which will be paid in two halves during 2011/12 and 2012/13.

15. If all of the agreed designated targets are achieved by March 2011 then 72% of this sum will be payable to the City Council to support revenue expenditure (£1,026,934) with the balance (£399,359) of the grant being available to support new capital expenditure.

Property

16. None.

Other

17. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

18. The Local Government and Public Involvement in Health Act 2007 places a statutory duty on local authorities to prepare the LAA for their area and a duty on a number of specified key partners to co-operate with the council in the development, negotiation and delivery of the LAA.

Other Legal Implications:

19. Section 13 of the Local Government Act 2000 empowers the Secretary of State to make regulations to determine what are non-executive functions. The approval of the city's LAA has been deemed a local choice function and it can therefore either be approved by Full Council or the Executive. This issue was considered at the Annual Council meeting on the 14th May 2008 and the Council resolved that the approval of the LAA within Southampton should be made by the Executive.

POLICY FRAMEWORK IMPLICATIONS

20. Southampton's 2008/9 to 2010/11 Local Area Agreement will help to secure a number of objectives within the City of Southampton Strategy. Its delivery by both the executive and key partners within the city is a commitment set out in the Corporate Improvement Plan as well as the Southampton Partnership's Business Plan. All of the performance measures within the LAA where the Council is identified as the lead partner are included within the Corporate Improvement Plan to ensure that progress against the agreed targets can be regularly monitored by the executive as well as other key stakeholders.

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line.

Appendices

1.	Southampton's Proposed Refreshed "Designated" Targets – Position Statement as at the end of January 2010
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Documents In Members' Rooms

	None.
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Background Documents

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

	Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	Southampton's Local Area Agreement 2007-2010	
2.	The New Performance Framework for Local Authorities and Local Authority Partnerships: Single Set of National Indicators (DCLG – October 2007)	
3.	Negotiating New Local Area Agreements (DCLG – September 2007)	
4.	Local Area Agreements Reward Guidance 2009 (DCLG – February 2009)	
5.	Local Area Agreement Review and Refresh Guidance Advice Note (DCLG – December 2010)	

Background documents available for inspection at: Room 8 Civic Centre

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KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:

All wards in the city will be affected by the implementation of Southampton's Local Area Agreement.
