

LOCAL AREA AGREEMENT 2008: SECOND ANNUAL REFRESH

Cabinet Member	Councillor Douglas Mills
Cabinet Portfolio	Improvement, Partnerships and Community Safety
Officer Contact	Ian Edwards, Deputy Chief Executive's Office
Papers with report	Appendix A – 2 nd refreshed LAA 2008-11

HEADLINE INFORMATION

Purpose of report	To secure Cabinet agreement to the refreshed targets for Hillingdon's Local Area Agreement (LAA) 2008-11
Contribution to our plans and strategies	<ul style="list-style-type: none">- Sustainable Community Strategy- Council Plan
Financial Cost	The LAA 2008-11 has £1.7million of performance reward grant attached that will be paid to the Council depending on the average achievement across all targets.
Relevant Policy Overview Committee	Corporate Services and Partnerships
Ward(s) affected	All

RECOMMENDATION

That Cabinet agree the refreshed Local Area Agreement 2008-11

INFORMATION

Reasons for recommendation

The Council has a legal duty to prepare a Local Area Agreement that is subject to annual refresh according to guidance published by the Secretary of State. As part of the 2nd annual refresh process, it is proposed to amend one reward target. Cabinet approval is required to amend the Local Area Agreement as set out in Hillingdon's Constitution

Alternative options considered / risk management

Cabinet Members could decide not to confirm any of the targets included within the Local Area Agreement (LAA).

Comments of Policy Overview Committee(s)

None at this stage.

Supporting Information

1. The Local Government and Public Involvement in Health Act 2007 creates a legal duty for local authorities to prepare a Local Area Agreement that sets out the priorities for the local area agreed between central government, the local authority and Local Strategic Partnership.
2. The Local Area Agreement 2008 (LAA 2008), which initially consisted of 42 designated improvement targets, was signed off by the Secretary of State for Communities and Local Government on 1st July 2008. It was subject to the first review in March 2009 when Cabinet agreed to amend 14 targets which resulted in an LAA of 34 designated targets subject to reward grant.
3. The LAA is subject to its second annual refresh with the purpose of:
 - revising, by exception, particular targets to reflect changes in local circumstances or national priorities.
 - identifying and addressing any issues around delivery
4. The scope of the second annual review was determined by the LAA Project Board that includes Ministerial and local authority representation and only five of our LAA targets were within scope for review on this occasion. Only one target, relating to the delivery of affordable housing, is recommended for amendment to bring it into line with the higher target agreed with the Mayor of London. The four other targets were brought into scope for technical reasons and have not resulted in the need for their amendment. (See Appendix A)
5. No issues around delivery were identified during the review.
6. Further to the refresh undertaken with GOL, the Budget 2010 announced the decision to remove 18 National Indicators with effect from 1st April. Two of these indicators, NI 49 and NI 132, are within our LAA but government has stated:

“Where individual areas have an LAA target associated with a removed indicator, we are working to ensure that the reduction does not impact on these LAAs, in terms of either loss of target or reward”.

Financial Implications

7. There are no immediate financial implications. Officers are very confident of delivering the amended affordable housing target and so there should be no increased risk to the reward grant payable to the Council by Government according to the attainment of the LAA overall.

EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendation?

8. As the Council has been working to the higher target agreed with the Mayor of London and is on track to deliver it, this amendment might be considered to be purely administrative.

Consultation Carried Out or Required

9. Service departments, Government Office for London and the LSP have been consulted during the refresh of the LAA

CORPORATE IMPLICATIONS

Corporate Finance

10. The Local Area Agreement 2008-2011 has a potential reward grant of around £1.7 million attached to it, payable over the two years 2011/12 and 2012/13. The expected split of the reward grant is 72% revenue grant and 28% capital grant.

Based on an estimated overall performance of achievement of 80% of the LAA targets, revenue reward grant of £0.8 million over two years from the LAA 2008-2011 has been built into the Medium Term Financial Forecast (MTFF), as contained in the budget report to Cabinet and Council in February 2010.

If there were an overall achievement of 87% of the refreshed LAA targets, in line with the current projected performance against the LAA 2007 reported to Cabinet in March 2010, then the revenue reward grant would increase to £1 million over two years.

Unlike the LAA 2007, reward grant is not attached to performance against individual targets but rather across performance in the LAA as a whole. Therefore the precise financial consequences of negotiations with Government Office for London over individual targets cannot be quantified.

Legal

12. Part V of the Local Government and Public Involvement in Health Act 2007 governs Local Area Agreements. This report seeks Cabinet's approval of the refreshed targets for National Performance Indicators. If Cabinet agrees to this, the Council will be obliged under section 113 of the Act to specify the new targets in its publicity about the LAA.

BACKGROUND PAPERS

14. NIL