



ITEM REF NUMBER:	1/ 2009	MEETING DATE:	19 February 2009
ITEM TITLE:	LAA Refresh and Annual Review 2008-09		
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1. Summary

This report updates the Board regarding progress with the LAA refresh, since initial proposals were agreed at the 10 December 2008 meeting.

The negotiation process has been slower than originally anticipated. At the time of writing, no formal response has been received from GOL to the proposals submitted in December, and few of the other issues that were unresolved at the time of the Southwark Alliance Board meeting have been progressed, mainly due to the continuing unavailability of baseline information.

However, there are a number of changes to the proposals agreed in December, which the Board is asked to endorse:

- it is proposed *not* to seek to amend the targets for the housing supply indicators, NI 154 and NI 155 until 2009, when the extent of the impact of the economic downturn will be clearer.
- it will be necessary to agree a new indicator and targets for Enterprise, as the data required to measure the original proposal anticipated will not be made available by the Office for National Statistics.
- to agree in principle to negotiate targets for 2010-11 for NI 146 (adults with learning disabilities in employment) and NI 150 (adults in contact with secondary mental health services in employment), which represent a 'statistically significant' improvement over the period of the LAA, when baseline data becomes available.

In addition, the Board is asked to note that, with the abolition of testing at Key Stage 3, the following mandatory education indicators will no longer be collected: NI 74, NI 83, NI 95, NI 96, NI 97, NI 98.

Formally, the local authority, rather than the LSP, is the signatory to the LAA and, consequently, any amendments made at the annual review need to be agreed by the council Executive. Therefore, an updated version of the present report will be submitted to the Executive on 17 March 2009. This will include a recommendation that the Deputy Chief Executive of the council, in consultation with the Leader, should be responsible for finalising any matters unresolved at the time of the meeting, consulting with external partners where appropriate.

2. Recommendations

The Board is asked:

- 2.1 to endorse the positions regarding individual indicators within the Local Area Agreement set out in Appendix 1 and note that this will be updated in the light of feedback from GOL and as more information becomes available.
- 2.2 to note that the 17 March meeting of the council Executive will be recommended to agree that the Deputy Chief Executive of the council, in consultation with the Leader, should be responsible for finalising any matters unresolved at the time of the meeting, consulting with external partners where appropriate.

3. **Background**

- 3.1 The Local Area Agreement (LAA) is subject to an annual review, which is conducted by the Local Strategic Partnership and the Government Office for London. Formally, the local authority, rather than the LSP, is the signatory to the LAA and, consequently, any amendments made at the annual review need to be agreed by the council. In Southwark, responsibility for the adoption and membership of the LAA has been delegated to the Executive.
- 3.2 The annual review provides an opportunity to revise, by exception, particular targets to reflect changes in local circumstances or national priorities. For 'designated' (i.e. national) indicators, the main points to note are as follows:
- targets within an LAA may be revised either at the initiation of the responsible authority (i.e. the Council) or at the initiation of the Secretary of State.
 - a 'revision' may involve changing or removing an existing designated target.
 - the revision proposal must outline the changes that are being proposed and to whom the revised target is to relate (i.e. the bodies that have consented to help deliver the target).
 - the responsible local authority must consult each partner authority and any other persons who appear appropriate.
 - the same duty of cooperation in agreeing changes to, or the removal of, targets, also applies, as does the requirement on the responsible local authority to have regard to its Sustainable Community Strategy and the requirement on the responsible local authority and partners to have regard to any guidance issued by the Secretary of State. (The Executive is asked to note that any additional amendments will, therefore, need to be referenced to partners and government for further negotiations.)
- 3.3 Once the revision proposal has been submitted to the Secretary of State, s/he may then either:
- approve the revision proposal
 - reject the revision proposal
 - request it be revised further (though only if s/he had originally directed the revision)
- 3.4 'Non-designated' local improvement targets within the approved LAA may be amended or removed from the LAA by the responsible authority (i.e. the council). However, it must have the consent of each partner authority to whom the target relates before amending or removing a local improvement target and must also consult any other persons to whom the target relates.
- 3.5 At its 10 December 2008 meeting, the Southwark Alliance submitted initial proposals to the Government office for London relating to a number of indicators within the LAA. In several cases, required changes to indicators in the LAA were noted, but no proposal was made. (This was generally in cases where baseline information was not available, and it was, consequently, not possible to propose a target.)
- 3.6 The Government has been slow to respond to the borough's initial proposals, but has not, so far, changed the timetable for the refresh process, which included the stipulation

that local areas should submit refreshed LAA to their Government Office by 2 March 2009. (At this point LAAs were expected to be in final or near-final form, though possibly not yet formally adopted.)

- 3.7 In addition to the LAA *per se*, 16 statutory (i.e. mandatory) national indicators concerned with educational and early years attainment and attendance were specified in legislation. The Government regards LAA targets - both designated and local - and the statutory DCSF targets as a single suite of targets, which will enable key partners - including schools - to deliver on shared priorities. Therefore, the latter are included within the present report.
- 3.8 The mandatory education and early years targets are set through a statutory process with the Department for Children, Schools and Families (DCSF). They are submitted by the end of January each year and look two years ahead. Therefore, the present report includes new targets for 2010-11. The statutory requirement for these falls to schools in the first instance. They must set targets based on individual pupil data. The local authority provides schools with a range of information to help this process. It then collects the targets, which are signed off by school governors, and uses these to aggregate to authority level. When setting LA targets, the council uses a range of predictive tools and trajectories to look at challenging but realistic targets. Proposals are then discussed with colleagues from DCSF national strategies. Attainment targets for children looked after is looked at by pupil and set within the local authority.
- 3.9 When setting the mandatory children and young people's targets, the council has to follow a number of criteria. Target levels need to be realistic but stretching and sustainable year on year. The 2010 targets must also be greater than the 2008 results. The 2010 targets should in most cases be greater than 2009 targets. However, if a local authority has strong reasons for 2010 targets being lower than those for 2009 they should discuss this with their National Strategies advisor. (NB Performance relating to schools is usually reported by academic year, which are not in line with financial. For example the financial year 2008-09 would report schools attainment for the summer 2008, which would be reported as 2007-08 academic year.)
- 3.10 The Board is asked to note that, with the abolition of Standard Assessment Tests (SATS) at Key Stage 3 in October 1998, the following mandatory indicators ceased to exist and will no longer apply: NI 74, NI 83, NI 95, NI 96, NI 97, NI 98.

4. Key Issues for Consideration

- 4.1 Where changes to the LAA are proposed, the indicators fall into three main categories:
- indicators where no baseline was available at the time the LAA was agreed, with the consequence that targets need to be set at the present refresh
 - indicators which are considered to be directly affected by the economic downturn, and where an alleviation of previously agreed targets is proposed
 - indicators where targets are considered to be unrealistically high, and where reductions are proposed.

- 4.2 Appendix 1 sets out the current position for each indicator, and, where appropriate, a recommendation, which the Board is invited to endorse. The original LAA, together with easy to understand definitions, is attached for information as Appendix 2.
- 4.3 The Board is advised that it will possible to renegotiate targets in 2010 for certain indicators in the LAA that are deemed to be particularly susceptible to the economic downturn - notably those concerned with Worklessness and Housing -, and these would be used to determine the allocation of Performance Reward Grant. In most cases, however, targets will be 'locked down' after the present refresh process.
- 4.4 Due to the late response from the Government to the initial proposals put forward by the Southwark Alliance, combined with the late publication of data in a number of further instances, it is not possible to bring a complete package of proposals to the present meeting. The Board is therefore asked to endorse the positions regarding individual indicators within the Local Area Agreement set out in Appendix 1 and note that this will be updated in the light of feedback from GOL and as more information becomes available.
- 4.5 The council Executive will be asked to delegate to the Deputy Chief Executive, in consultation with the Leader, responsibility for finalising any unresolved matters with the Government Office for London. Any changes involving external partners will need to be negotiated with them.