

**CUMBRIA COUNTY OVERVIEW SCRUTINY  
GROUP**

**LOCAL AREA  
AGREEMENT/CSP/LSPS  
TASK AND FINISH GROUP**

Report on the development of  
a Local Area Agreement for Cumbria

October 2006

## **Summary of Conclusions and Recommendations**

### **Conclusion:**

Thematic Partnerships have evolved in different ways for a variety of reasons, each one from a different starting point, throughout the development of the Local Area Agreement.

### **Recommendation 1**

**It is recommended that the membership of each of the thematic blocks in the Local Area Agreement be reviewed to ensure that the representation is appropriate, with an active membership reflecting the interests of all areas within Cumbria.**

### **Conclusion:**

Members of the task and finish group supported the general principle of 'collective' representation rather than full partner representation at each Local Area Agreement thematic board. However, the success of this approach in the future development of the Local Area Agreement programme will depend on having rigorous and robust mechanisms for reporting and monitoring in place within all authorities and partners. There is a need for individual Authorities to review their feedback mechanisms by which information regarding the Local Area Agreement and its current position is passed onto Members and Officers.

### **Recommendation 2**

**It is recommended that the Chief Executive of each Authority explores the robustness of the feedback mechanism within their Authority and seeks to formalise and improve this. Elements of this may include formal agenda items at Full Council, and ensuring that the regular Cumbria Strategic Partnership newsletters are provided to update all Members.**

### **Conclusion:**

It is important that all Members are aware of the impact the Local Area Agreement will have on Cumbria, and that each Authority ensures that they continue to monitor and scrutinise this process where suitable.

### **Recommendation 3**

**It is recommended that this report be taken back to each Authority for consideration by their relevant overview and scrutiny committee, and then forwarded to their Cabinet for consideration.**

### **Conclusion:**

There is a need for future monitoring and scrutiny of the Local Area Agreement at a joint Countywide level in addition to more area specific scrutiny being undertaken by individual Authorities.

### **Recommendation 4**

**It is recommended that the Countywide Overview Group consider the most appropriate means of joint scrutiny of the Local Area Agreement being undertaken in the future.**

## **Background and introduction**

- 1 At their meeting of 25 April 2006 the Cumbria Joint Scrutiny Overview Committee agreed to establish a task and finish group to look at the developing Local Area Agreement (LAA), due to its significance to both delivery partners and local communities.
- 2 Membership of the task and finish group was confirmed as being:
  - o Allerdale Borough Council Cllr Margaret Snaith
  - o Carlisle City Council Cllr Mary Styth
  - o Copeland Borough Council Cllr Yvonne Clarkson
  - o Cumbria County Council Cllr Anne Burns (Chair)  
Cllr Norman Shaw
  - o Eden District Council Cllr Gordon Savage
  - o South Lakeland District Council Cllr Gwen Murfin
- 3 Due to the tight timescales involved with this review Members initially agreed to treat this review in two parts, with the first section to consider the robustness of the consultation process in the drawing up of the LAA. The second part would then look at the defining the future role for scrutiny in monitoring and guiding development of LAA.
- 4 The task and finish group held a series of three meetings between July and October 2006.
- 5 At the first meeting of the group Sue Stevenson (CSP Manager) and Michael Hyatt (Head of Policy at Cumbria County Council) delivered a presentation to the group that briefly outlined the development of the LAA. (Attached at Appendix A). Members then conducted a detailed question and answer session with the Officers and highlighted seven areas they considered needed a more detailed response:
  - i. Clarification is needed regarding the process surrounding and the subsequent transparency of the passporting of money from Cumbria County Council to the areas that are to receive it.
  - ii. What is the argument for maintaining the 5<sup>th</sup> block and how are we going to respond to GONW's comments regarding this. What are the options and alternatives to this?
  - iii. There is a lack of confidence that a thorough grass roots consultation has been carried out, clarification is needed with regards to who exactly was consulted and how?
  - iv. What work has been done in conjunction with the Cumbria Voluntary Service and how is this going to be developed in the future?
  - v. What are the plans to link in with Local Democracy Week and how will this be carried forward in the future?
  - vi. Who is going to be over-all accountable for where the money is allocated to and how much money is allocated. What are the safeguards in place to ensure objectivity and transparency?
  - vii. Define accountability: There is a need to define accountabilities. In the first instance a block diagram arrangement showing accountability paths would assist Members.

- 6 The response to these questions is attached at Appendix B.
- 7 At the second meeting of the task and finish group the response to the questions posed was considered and further discussions were held with the relevant Officers. There were still areas of concern noted by the group relating to the membership of the Thematic Partnerships within the LAA and the issue of how information about the LAA and its development was being communicated and scrutinised throughout all of the Cumbrian Authorities.
- 8 The group produced a report that was subsequently presented to the CSP Executive Board, The Chief Executives Group and the Cumbria Local Authorities Strategic Board (CLASB) specifically raising these issues with them.
- 9 The key points from these three presentations are attached at Appendix C and helped to formulate the task and finish group's final recommendations to the Cumbria Joint Scrutiny Overview Committee.
- 10 At their final meeting on 12 October 2006 the task and finish group agreed their final recommendations and considered the future role for scrutiny in monitoring and guiding the development of the LAA.
- 11 The Chair of the task group is grateful to the senior officers of Cumbria County Council and the Cumbria Strategic Partnership for the evidence and support they have given to the scrutiny review.

### **Recommendations**

- 12 Each thematic partnership has evolved from a different starting point. Typically there is a high level board that may have other functions as its primary purpose. Rather than develop further boards a decision was taken to ask existing structures, where they were in place, to take on an additional role to support the development of the LAA.
- 13 It has not always been possible to directly influence membership on each of the strategic boards. Although the County Council is represented on each of these by Corporate Director and / or the appropriate portfolio holder, the County Council does not always hold the chair.
- 14 As part of the LAA development process all partner organisations have been informed of these structures and where possible have been encouraged to ensure effective representation on all of the thematic partnerships. This may not always have been possible at the strategic board level.

#### **Recommendation 1**

**It is recommended that the membership of each of the thematic blocks in the Local Area Agreement be reviewed to ensure that the representation is appropriate, with an active membership reflecting the interests of all areas within Cumbria.**

- 15 The task and finish group produced a report which highlighted some of their concerns relating to how information about the progress and development of the LAA was transmitted to both Members and Officers throughout Cumbria.

- 16 The feedback received from CLASB, the Chief Executives Group and the CSP Executive Board echoed this need for having rigorous and robust mechanisms for reporting and monitoring of the LAA. The Chief Executives advised they would do all they could to encourage effective reporting and communication within their own and partner organisations, ensuring the prevailing culture is both positive and beneficial.

### **Recommendation 2**

**It is recommended that the Chief Executive of each Authority explores the robustness of the feedback mechanism within their Authority and seeks to formalise and improve this. Elements of this may include formal agenda items at Full Council, and ensuring that the regular Cumbria Strategic Partnership newsletters are provided to update all Members.**

- 17 Government guidance states “We want to ensure that the Sustainable Community Strategy which sets out the vision and priorities for the area, is produced with the involvement of all parties, including citizens, voluntary sector and businesses, and establishes a solid evidence base in order to develop and drive the effective delivery of their local area agreement.”
- 18 Members have made their own enquiries with colleagues across the County and are uneasy about the level of what an LAA is and the level of knowledge of the emerging content. Taking account of the above guidance, it would appear that the buy-in of all partners including all local authorities, will be essential to effective delivery of the Local Area Agreement.
- 19 It is important that each Authority ensures that they continue to monitor and scrutinise the LAA process and outcomes where suitable.

### **Recommendation 3**

**It is recommended that this report be taken back to each Authority for consideration by their relevant overview and scrutiny committee, and then forwarded to their Cabinet for consideration.**

- 20 At their meeting of 12 October 2006 the task group considered how the LAA may be continued to be monitored and guided by joint scrutiny.
- 21 Sue Stevenson (CSP) and Helen Blake (Senior Policy Officer) attended the meeting and confirmed the whole process was extremely complex and made even more so by the diversity of the County. They discussed issues that would need to be taken into consideration by any joint scrutiny group – these included the geographical relevance, the thematic nature of the LAA and the organisational issues regarding the number of partners involved.
- 22 Members discussed these points and felt that one of the best ways forward for joint scrutiny would be to look at the stretch targets, perhaps focussing on one in particular. It would be possible to consider all of the factors (geographical, thematic and organisational) pertinent to a stretch target whilst assessing how the objectives of the target were being met and how it was being driven towards the desired outcomes.
- 23 At their meeting, the Chief Executives discussed the issue of the future role of scrutiny with regards to the LAA. They felt that the continual monitoring and

scrutinising of this agreement was crucial, and should be carried out by both CLASB, and a permanent joint scrutiny committee (as is currently the case with Health Scrutiny). They felt this would enable there to be continuity in the process and that an over-all view could be maintained thus avoiding duplication, whilst specific local issues could be considered by individual Authorities' own scrutiny committees. The Chief Executives suggested that the Countywide Overview Group may be the most suitable body to undertake this future role.

#### **Recommendation 4**

**It is recommended that the Countywide Overview Group consider the most appropriate means of joint scrutiny of the Local Area Agreement being undertaken in the future.**

#### **Lessons Learned**

- 24 The task and finish group held three meetings between July and October 2006 and throughout this process some valuable lessons learned have been identified. Many of the lessons learned during the scrutiny review of the Cumbria Strategic Waste Partnership have been taken on board and helped to ensure the success of the review of the LAA process. (For full details of these please refer to item three on the Countywide Overview Group's Agenda.)
- 25 In addition to these original lessons learned however, some further points have been identified throughout the course of the review:
  - i. **Availability of Members** – for a time limited review which is conducted over a short series of meetings, it is important that the members of the task group attend as many of meetings as possible. This will ensure that there is consistency and continuity and will allow them to develop an in-depth knowledge of the issue under review.
  - ii. **Briefings** – When undertaking witness interviews it was felt that there should be some time allowed before this for the group to meet before the attendance of the Officers. This would allow for the group to consider what outcomes they were looking to achieve and the lines of questioning they were wanting to take in advance. This was not always the case in this review but would have been beneficial.
  - iii. **Chair** – The Chair of the task group was appointed at the first meeting of the group and attended every meeting. This was important as it allowed for continuity and a thorough understanding of the complexity of the issues that were being scrutinised.



CUMBRIA STRATEGIC PARTNERSHIP  
THE PARTNERSHIP VOICE FOR CUMBRIA



# County Overview Scrutiny group 14 July 2006

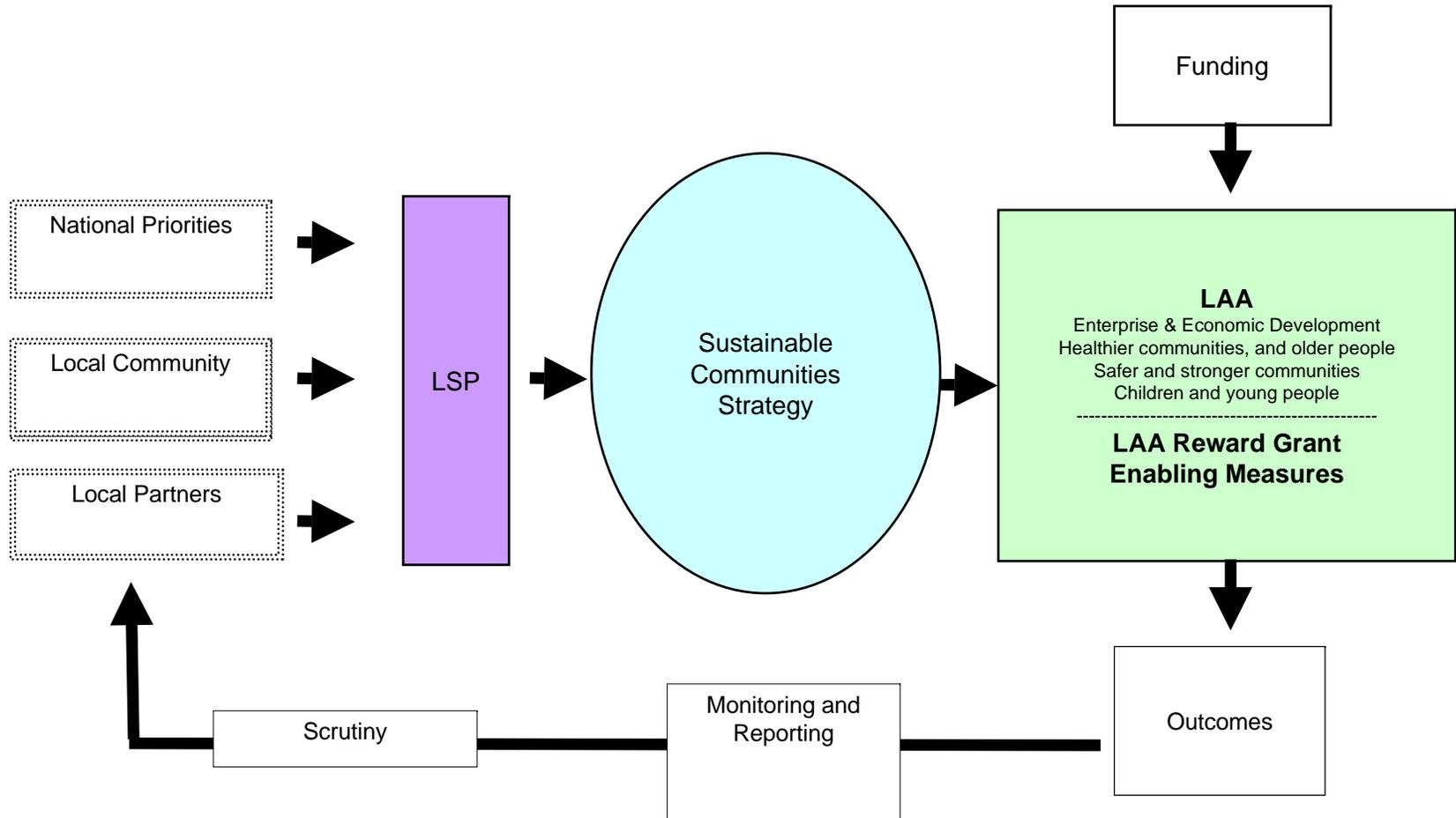
Michael Hyatt  
Sue Stevenson

# What is a Local Area Agreement?

A 3 year agreement that sets out the priorities for a local area, (Cumbria) agreed between central government, represented by the GO) and a local area, represented by the lead local authority and other key partners through local strategic partnerships.



# Developing the LAA





# Safer & Stronger

- Reduce Crime
- Reassure the public: reducing the fear of crime
- Reduce the harm caused by illegal drugs and alcohol misuse
- Increased domestic fire safety and reduce arson
- Improve services for domestic violence victims

# Safer & Stronger cont...

- Road Safety
- Empower local people to have a greater choice and influence over local decision-making and a greater role in public service delivery
- Build respect & reduce anti-social behaviour
- Neighbourhood Management



# Economic Development

- Improved skills to match current and future economic needs
- Increased enterprise activity throughout Cumbria
- Increased employment and economic activity and better paid employment opportunities
- Improved economic infrastructure



# Healthier Communities & Older People

- Improve health & reduce health inequalities
- Reduce premature mortality rates
- Improve the quality of life of people in Cumbria
- Improve well being, choice and control of people in Cumbria

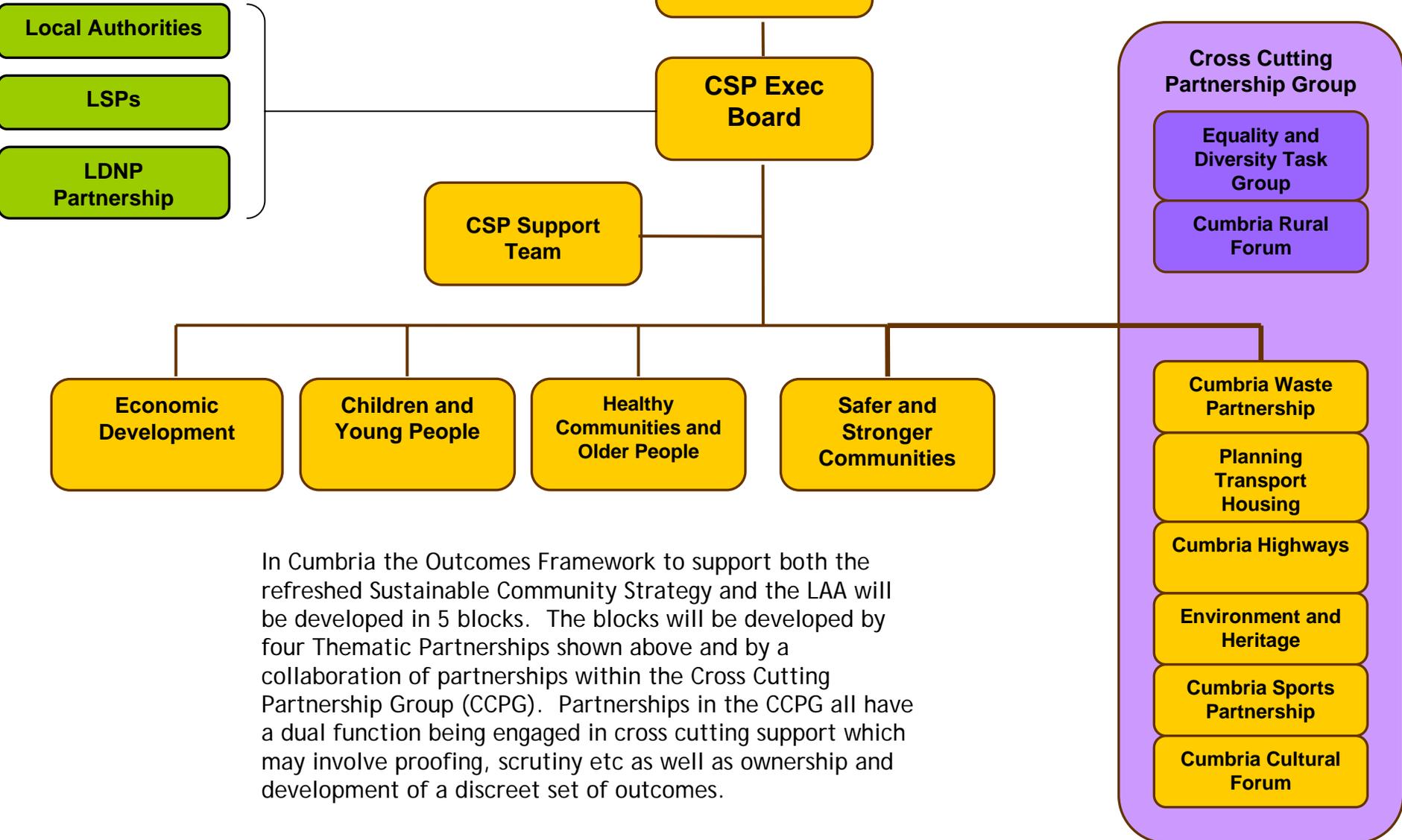


# Children & Young People

- Stay Safe
- Be Healthy
- Enjoy and Achieve
- Achieve Economic Well-being
- Make a positive contribution

# Cross Cutting Partnership Group

- Waste management
- Cleaner - Safer - Greener
- Housing
- Culture
- Access to the countryside
- Improve road conditions
- Accessibility



In Cumbria the Outcomes Framework to support both the refreshed Sustainable Community Strategy and the LAA will be developed in 5 blocks. The blocks will be developed by four Thematic Partnerships shown above and by a collaboration of partnerships within the Cross Cutting Partnership Group (CCPG). Partnerships in the CCPG all have a dual function being engaged in cross cutting support which may involve proofing, scrutiny etc as well as ownership and development of a discreet set of outcomes.



# Cumbria Key Dates

Date	Meeting/ Activity
30 <sup>th</sup> June 06	Submission to GONW of indicative draft outcomes framework and suggestions for stretch
<b>Late August 06</b>	Partner comments on working doc for initial draft to Helen Blake
6 <sup>th</sup> September 06	CSP Exec to agree initial draft
26 <sup>th</sup> September 06	CCC Cabinet to agree initial draft
30 <sup>th</sup> September 06	Submission to GONW of initial draft
3 <sup>rd</sup> November 06	Partners comments on developing agreement back to Helen Blake (note that negotiations may be ongoing at this time)
22 <sup>nd</sup> November 06	CSP Exec agree final draft
28 <sup>th</sup> November 06	CCC Cabinet agree final draft
1 <sup>st</sup> December 06	Final submission to GONW
15 <sup>th</sup> December 06	Approval from partners required for sign off
9 <sup>th</sup> January 07	CCC Cabinet sign off
18 <sup>th</sup> January 07	CCC Full council sign off
10 <sup>th</sup> February 07	Ministerial sign off



# Issues for consideration

- Clear role for members - community leadership
- Effective countywide engagement
- Effective communication/consultation
- Emphasis on outcomes
- Added value
- Performance management

**Report to the County Overview Scrutiny Joint Task and Finish Group  
Meeting Date: 17<sup>th</sup> August 06**

**Questions on The Cumbria Agreement**

**Summary**

At the meeting of the Task and Finish Group on 14<sup>th</sup> July 06 a set of questions were posed for Michael Hyatt and Sue Stevenson to respond to about development and operation of the Local Area Agreement.

This paper provides an initial written response to those questions; and will also provide a brief update on recent progress with the development of the content of the LAA.

**General Update on the evolving Local Area Agreement:**

Since the task and finish group last met the outcomes framework that was submitted to GONW on 30<sup>th</sup> June 06 has continued to evolve through the various working groups of the Thematic Partnerships. The formal and informal feedback from GONW was very positive, with some specific areas for further consideration. Suggestions from GONW, partners and Members have been included in the latest revision; which should ensure the document reflects the key outcomes partners wish to work towards for the county.

The initial draft of the full LAA will be submitted to GONW on 29<sup>th</sup> September 06. It will then be subject to further amendments as we enter the negotiation phase; where GONW will be talking to Government Departments on our behalf. It is likely that the majority of discussion will be around the stretch targets that have a financial reward element attached to them.

**Responses to Questions posed by the Task and Finish Group**

Each question posed by the group is considered below; together with a brief response, which will hopefully provide some of the detail Members are seeking. Officers in attendance at the next meeting will be able to supply further information if necessary.

**Accountability and Financial Management Arrangements**

**Questions 1, 6 and 7** are perhaps helpfully considered together. The issues for further information are:

- Clarification is needed regarding the process surrounding and the subsequent transparency of the passporting of money from CCC to the areas that are to receive it.
- Who is going to be over-all accountable for where the money is allocated to and how much money is allocated. What are the safeguards in place to ensure objectivity and transparency?
- Define accountability: There is a need to define accountabilities. In the first instance a block diagram arrangement showing accountability paths would assist members.

## **Response to Questions on Accountability and Financial Management Arrangements**

### **The County Council as accountable body**

Cumbria County Council has a particular role to play as accountable body for the financial management of the LAA and for ensuring that robust performance management arrangements are in place. This includes ensuring that there are clear leads for each of the targets in the LAA. These responsibilities will be underpinned by agreements and delivery plans, setting out the roles, responsibilities and funding for each partner. The County Council will act on behalf of partners involved in the development and delivery of the LAA in ensuring that all financial conditions are complied with. It will work closely with the CSP and with stakeholders to agree how resources associated with the LAA should be used.

### **Funding**

At the outset it is worth emphasising that there is very little new money coming through the LAA. Most funds are already being paid to Cumbrian partners. For the LAA it is important to distinguish two forms of funding – pooled funding and aligned funding.

#### ***Pooled Funding***

A feature of the Local Area Agreement is that government will ‘pool’ certain funding streams. These are currently paid as separate allocations, with their own terms, conditions and claim processes, to individual organisations. Under the LAA they will be combined into a single payment for each LAA block. It will be up to partners to agree locally how to use this funding in order to meet the agreed priorities and targets in the LAA. Government will pay funding to the County Council as accountable body who is then responsible for distributing it to partners in accordance with agreements in local delivery plans. There are some

mandatory outcomes to include in the LAA associated with certain funding streams. Some funding streams will only be paid as pooled funding from 2007/08. Other funding streams can be pooled if partners wish and subject to agreement of the Government Office. Where funds are pooled:

- The detailed conditions are replaced by a general requirement to use funds towards the outcomes in the LAA. There are mandatory outcomes linked to some funding streams are pooled, and some more specific conditions attached to some funding elements;
- There is no longer a requirement to make separate grant claims for the individual funding streams. Instead, government will pay the total allocation for each block in regular instalments. The accountable body will still need to account for spend in total against the allocation for each block, and provide assurance from the internal auditor that funds have been used to support the objectives in the LAA;
- There is more flexibility to agree locally how pooled funds are used. Resources can be targeted to the activities that are considered locally to best support achievement of outcomes and targets.

So partners might wish to pool funds where are advantages from increased flexibility in how the grant is used, or from streamlining monitoring and grant claims.

Appendix 1 gives details of the possible pooled funding streams for Cumbria based on 2006/07 allocations, including funding streams where there is an option to pool.

### ***Aligned Funding***

Only a relatively small portion of total funding is likely to be pooled in the LAA. Mainstream funding and non-specific grants do not have detailed conditions on their use. So they are not pooled because that would earmark them to a particular block which would add restrictions to their use. Some other funds are already allocated to other bodies so again formal pooling would compromise the discretion of those bodies.

Delivery of the LAA is likely to be dependent on mainstream and other non-pooled funding sources. So partners need to agree locally how non-pooled funds are used to support LAA outcomes i.e. how partners can focus existing funds towards achievement of targets.

Where there is local agreement to align funding streams these will continue to be paid by government to the existing recipient. Current terms and conditions, and grant claim procedures, would still apply.

### **New Money – Pump Priming Grant and Performance Reward Grant**

The 'new' money relates to the 12 stretch targets in the LAA where we think we can improve our performance selected following detailed discussion with GONW. The Government will provide pump priming money to help us get going on this work and will reward us if we hit our stretch target (performance reward grant)

Pump priming grant is likely to be £1.25m in total to cover the three years. This will be split between partners responsible for delivering on targets. The preferred option for determining how much pump priming grant each partner gets is for a panel to consider business cases put forward for money.

If after three years the desired stretch in performance is achieved, performance reward grant will be paid (at least 60% of the stretch has to be achieved to receive any reward grant). The preferred option is for all reward grant to go into an "LAA pot" which is then used to fund shared priorities in the new LAA.

Options for the arrangements for distributing pump priming grant and use of performance will be put to County Council Cabinet on 26 September for consideration, having already been discussed at the Chief Executives Group, CLASB and the CSP Executive. A copy of the report to CLASB is at Appendix 2.

### **Arrangements for operating the LAA**

Considerable work is underway with partners to determine the operational arrangements for finance and performance. The County Council, as accountable body, will receive pooled funds and pump priming grant. The County Council will then disburse funds to partners responsible for delivering LAA activities in accordance with agreed allocations. Appendix 3 gives a simple diagram comparing funding flows under existing arrangements with the flow of money for pooled funding.

Such pooled funding arrangements are already operating in 2006/07 for the Safer and Stronger Communities Fund. Appendix 4 gives further details, illustrating the flow of money, performance and financial information

A neighbourhood renewal advisor has supported the development of the accountability arrangements. She is facilitating a workshop in late August for finance and performance leads for the County Council and partner organisations which will explore the issues of accountability, governance, finance and performance. The Audit Commission is also making a presentation at the

workshop, highlighting best practices in LAA and partnership working. If the Task and Finish Group would find it helpful, a report following the workshop could be provided.

The submission made to GONW at the end of September will need to set out these arrangements, including a “ladder of intervention” which will be a description of what will happen if there are cases of underperformance against the targets that are set.

A number of factors help determine how monies are to be spent:

1. There are geographical constraints on expenditure associated with the Neighbourhood Renewal Fund. Monies must be spent on the geographical areas specified.
2. Monies must be spent on activity that will contribute to the delivery of the outcomes defined in the LAA – which partners have developed and agreed.
3. Specific conditions attached to some funding streams.
4. Adherence to general conditions of grant.

In cases where monies have a geographical focus (NRF), local partners will need to agree how the money is spent in order to achieve the relevant outcomes. The LSPs will provide a forum for this to happen.

Where the money does not have to be spent in a specific geographical location, partners will again have to agree how money is spent – but this will happen at a more strategic level, through the Thematic Partnerships of the CSP. There will be conditions of grant setting out how monies are to be used, performance requirements, monitoring arrangements and what steps are to be taken where there are performance shortfalls.

## **Question 2**

What is the argument for maintaining the 5<sup>th</sup> block and how are we going to respond to GONW’s comments regarding this. What are the options and alternatives to this?

## **Response to Question 2**

The scope and range of the outcomes in the SSCF block were considered to be too large to be effectively managed through a single Thematic Partnership and it was decided that a Thematic Partnership focused on outcomes relating to liveability had some merit – for example waste management, the environment, housing, planning and transport.

However this approach is still being further developed and refined to ensure that appropriate linkages are being made between all the Thematic Partnerships of the CSP, that the content of the LAA is worked up by the most appropriate lead officers and that there is clarity about performance reporting. It is true to say that questions have been asked about whether or not the 5<sup>th</sup> block is the best approach to this complex issue and further meetings will take place to debate this. The Task and Finish Groups question about this issue is relevant and supports the view that this should be examined further.

The suggested content for the 5<sup>th</sup> block had been moved from the long list of potential content for the Safer Stronger Communities Block. One solution would be to move it back into its original block; and simply ensure that the relevant partnerships or partners are involved in developing the detail required for the detail. The group itself could still usefully meet together to consider cross cutting issues; but would not operate as a “block.”

In many ways this issue is about the presentation of the document; as the delivery of the LAA will be undertaken by numerous organizations. The situation will be discussed further by the County Council Director of Strategy and Performance, the CSP Manager and the Chair of the 5<sup>th</sup> block.

### **Question 3**

There is a lack of confidence that a thorough grass roots consultation has been carried out, clarification is needed with regards to who exactly was consulted and how.

### **Response to Question 3**

The LAA is a document that sets out strategic outcomes that partners will be working towards and explains how progress towards these outcomes will be measured. In the LAA, consultation is vital in both informing its content; and also in ensuring partners and partnerships are happy with the document.

Communities and Members are well placed to provide information based on extensive consultation for the development of LSP community strategies and other strategic plans about the issues they want to see addressed through the LAA. This information was fed into the content development process and informed the basis of the outcomes framework that is now being developed further.

In addition to this a round of LAA events took place in all LSP areas earlier this year which provided an opportunity for Members, partners, representatives from the CVS and LSPs to comment on the content of the LAA. Community Empowerment Networks in West Cumbria and Barrow have also been heavily involved in developing content. Representatives are feeding into the working groups which work to form inform the content of each block

In terms of improving on this, the Quality of Life survey that will take place to support much of the LAA will provide an opportunity for members of the public to tell us about things that are important to them; which will inform future iterations of the LAA.

Additionally proposals for a 'community gateway' to coordinate engagement in future LAA planning are also in hand. These are outlined in the draft LAA 'statement of community involvement' a requirement of the LAA process.

#### **Question 4**

What work has been done in conjunction with the Cumbria Voluntary Service and how is this going to be developed in the future.

#### **Response to Question 4**

Specifically each Thematic Partnership has invited representatives from the CVS to be involved in working up suggestions of content for the LAA. This representation will continue when the groups start to consider how the LAA is delivered. The Economic Development and Enterprise Block has not had this level of engagement and the lead officer is looking into improving this matter with the identified link officer from the County Council.

Again the Community Gateway in development will aim to strengthen the way that the voluntary and community sectors are engaged in discussions at a strategic level and about delivery. In addition to this the HM Treasury Pathfinder, refreshed Compact, Infrastructure Forum and work through Change Up will be extremely useful in ensuring structures are in place and are robust enough to allow the VCS to engage even further in the development of the LAA and its delivery. CACVS has also been commissioned to develop a countywide VCS forum which thematic partnerships of the LAA will be able to use. And finally, the CVS has been asked to provide a single representative to join the CSP Executive.

#### **Question 5**

What are the plans to link in with Local Democracy week and how will this be carried forwards in the future.

#### **Response to Question 5**

This issue had not been considered until raised by the group and will need further investigation, however it would appear to be a helpful prompt for action to use Local Democracy week to emphasis community leadership opportunities through the LAA. Further work will be undertaken to consider this further.

**Appendix 1: LAA Pooled Funding Streams 2007/08**

**Appendix 2: Report to CLASB 4 August 2006**

**Appendix 3: Funding Stream Diagram**

**Appendix 4: Pooled funding arrangements for SSCF 2005/6**

**LAA FUNDING STREAMS 2006-07 (EXCLUDES FUNDING THAT COULD BE ALIGNED)**

Funding Stream	CCC	Allerdale	Response to the response to the task and finish group questions - Appendix 1						Police	Voluntary Action Cumbria	All Cumbria Total	Notes
			Barrow	Carlisle	Copeland	Eden	S Lakes					
<b>CHILDREN AND YOUNG PEOPLE</b>												
Children's Services Grant	1,061									1,061		
Kerbcraft										N/A	N/A in Cumbria - ceases from March 2007	
Key Stage 3 - Behaviour and Attendance	126									126		
Key Stage 3 - Central Coordination	313									313		
Neighbourhood Road Safety Initiative										N/A	N/A in Cumbria	
Neighbourhood Support Fund												
Positive Activities for Young People												
Primary Strategy Central Coordination	334									334		
School Travel Advisers (DFT/ DFES - in ECE)	97									97		
School Development Grant (LEA element only)	2,225									2,225		

**OPTIONAL:**

Connexions											
Extended Schools (Standards Fund)	650									650	
Teenage Pregnancy	290									290	
Children's Fund											
School Improvement Partners	65									65	

**CROSS-BLOCK**

Neighbourhood Renewals		570	1,838							2,408	
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**SAFER AND STRONGER COMMUNITIES**

Anti-Social Behaviour		184	74				177	84		519	} These are total allocations for the CDRPs
Building Safer Communities											}
Drugs Strategy Partnership Support											}
Tackling Violent Crime Programme										N/A	N/A in Cumbria
Neighbourhood Management Pathfinder										N/A	N/A in Cumbria
Neighbourhood Element		413	413		413					1,239	Allocations rise to approx £0.5m in 07-08
Cleaner, Safer, Greener Element			970		970					1,940	Allocations rise to approx £1.1m in 07-08
ASB Action Area										N/A	N/A in Cumbria
Aggregates Levy Sustainability Fund	200									200	
Anti-Social Behaviour Trailblazer										N/A	N/A in Cumbria
Home Fire Risk Check Initiative	28									28	This is CAPITAL
Community Fire Safety - £32k revenue											Not part of ODPM list, but per ODPM news release it is complementary to Home Fire Risk Check Initiative.
Rural Social and Community Programme									456	456	VAC is currently the accountable body for this.
Waste Performance and Efficiency Grant	554	78	58	86	58	43	85			962	Of this, 50% is REVENUE and 50% CAPITAL

**OPTIONAL:**

Rural Bus Subsidy Grant	1,567									1,567	
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**ECONOMIC DEVELOPMENT**

Local Enterprise Growth Initiative										N/A	Being sought from 2007-08
New Growth Points Funding										N/A	N/A in Cumbria

**OPTIONAL:**

Housing Market Renewal	9,000									9,000	For West Cumbria and Furness. Still subject to final approval - approx £9m per annum for 9 years from 2006-07. CCC is accountable body
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**HEALTHIER COMMUNITIES AND OLDER PEOPLE**

**OPTIONAL:**

Disabled Facilities Grant		183	183	205	157	115	102			945	Via GONW. Current requirement is for 40% match funding.
Supporting People	9,053									9,053	

<b>TOTAL</b>	<b>25,563</b>	<b>1,428</b>	<b>3,536</b>	<b>291</b>	<b>1,598</b>	<b>335</b>	<b>271</b>	<b>0</b>	<b>456</b>	<b>33,478</b>	
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## **REPORT TO CLASB**

**4<sup>TH</sup> AUGUST 2006**

**From Anthony Gardner, Director of Strategy and Performance  
Cumbria County Council**

## **LOCAL AREA AGREEMENTS: PUMP PRIMING AND PERFORMANCE REWARD GRANTS**

### 1.0 EXECUTIVE SUMMARY

- 1.1 This report sets out the possible arrangements for the allocation of Pump Priming Grant and Performance Reward Grant for the Local Area Agreement. CLASB is invited to give its views on the preferred arrangements which have also been discussed with Members of Cumbria County Council as the accountable body; the Chief Executives Group; and the CSP Executive. Early in-principle agreement to arrangements for allocating pump priming grant and sharing reward grant would help engage partners in the Local Area Agreement negotiations. A workshop took place at the end of June to identify lessons learned from the Safer and Stronger Communities Fund arrangements which have been operating since April 2006; and a further workshop on accountability will take place at the end of the summer for wider discussion amongst partners for the Local Area Agreement.

### 2.0 BACKGROUND

- 2.1 In addition to providing greater coherence, understanding and ownership of outcomes for Cumbria, the Local Area Agreement brings together funding streams that have previously been paid to individual organizations. There is therefore an opportunity to align funding streams and priorities, ensuring that effort and spend is focused on those areas addressing well evidenced issues that partners see as key to making improvements to the people of Cumbria.

## Response to the task and finish group questions – Appendix 2

- 2.2 In developing and delivering the Local Area Agreement there are two major financial aspects to consider. The first concerns the arrangements for dealing with Government monies over and above the normal funding streams that will be dealt with. These are the Pump Priming Grant (available to support the stretch targets to be agreed as part of the Local Area Agreement) and the Performance Reward Grant (payable on achievement of the stretch targets). Arrangements for these grants is the focus of this paper. The second aspect to consider is the need for a clear accountability and performance management framework that will underpin the operation of the Local Area Agreement, and this will be developed with partners over the coming months and be discussed in a future paper.
- 2.3 Pump priming grant of £1.25m is to be paid from April 2007 (based on £750,000 plus £1 per capita). It can only be used to assist the achievement of stretch targets. One third of the grant will be paid as revenue in April 2007. The remaining two thirds can be taken as a capital grant or there is an option to trade the capital grant for revenue in the second and third years.
- 2.4 Government expects Local Area Agreement partners to contribute some of their own resources towards achievement of stretch targets and pump priming is expected to create sustainable improvements in long term outcomes.
- 2.5 With limited grant available from Government (an average £100,000 for each stretch target), the Local Area Agreement will need to include arrangements for accessing pump priming grant. Once stretch targets are identified towards the end of 2006, it would be sensible to operate a commissioning process for accessing pump priming grant. Criteria could include:
- Target to our weakest priority outcomes or outcomes of greatest need within the LAA
  - Affordability and revenue and capital shares (capital projects attract grant in 2007 and might help deliver sustainable improvements)
  - Contributions from partners (where pump priming grant helps lever investments from partners)
  - Impact on achievement of stretch targets (a realistic assessment of linkages between investment and achievement of target)
  - Likelihood of achieving sustainable improvements in outcomes (whether improvements are likely to be sustained after the end of the three years), without the need for further resources
  - Overall value for money (including comparison with other benchmarks)

It is suggested that submissions would need to be assessed by a panel drawn from the Cumbria Strategic Partnership, with the County Council exercising its

## Response to the task and finish group questions – Appendix 2

- accountable body role. The Chief Executives Group agreed these criteria and the need for a panel.
- 2.6 Performance reward grant is set at 2.5% of participating councils' net expenditure. The Department for Communities and Local Government has confirmed that school funding is included in the baseline for reward grant. For Cumbria this means that performance reward grant could total £15m, split 50:50 between revenue and capital and payable after March 2010 (half in 2010/11 and half in 2011/12). Achievement of 'stretch' performance targets should enable the reward grant to be secured.
- 2.7 One of the lessons from Local Public Service Agreements Round 1 was to agree arrangements in advance for sharing reward grant. Options for sharing reward grant include:
- (i) 100% reward grant to go to partners who contributed to delivery to be used by partners for their own purposes
  - (ii) 100% reward grant to go to partners who contributed to delivery but a stipulation on use requiring partners to reinvest grant in target areas
  - (iii) 100% reward grant retained by County Council as accountable body
  - (iv) 100% reward grant used to invest in Local Area Agreement priorities
  - (v) Reward grant shared, part being used to invest in Local Area Agreement priorities and the remainder to be used by partners who contributed to delivery for their own purposes
- 2.8 Each option has its attractions. The CSP Executive has expressed a preference for the fourth option which would mean the reward grant would be put into those priority areas of greatest need. The Chief Executives Group at their meeting on 14<sup>th</sup> July generally agreed with this view. Clearly this would not preclude reinvestment in those areas that generated the reward if they are still areas if need.
- 2.9 The view of CLASB will helpfully add to this debate; and hopefully some level of consensus will start to emerge which will provide a clear principle to work with.
- 2.10 As noted above, other work is underway to ensure that the County Council can perform its accountable body role effectively and that risks are appropriately managed. This means ensuring that partnership agreements are in place and that there is an effective performance and financial management framework together with appropriate governance arrangements. These mechanisms are necessary to ensure that progress can be monitored and that there are clear lines of accountability. Delivery plans will also be required so that partners understand their respective roles and responsibilities. The role of the County Council as accountable body, the Cumbria Strategic Partnership Executive Board and the Thematic Partnerships will all be central to making this happen and to

## **Response to the task and finish group questions – Appendix 2**

performance managing the delivery of these outcomes throughout the life of the Local Area Agreement.

- 2.11 Workshops have and will continue to take place. At the end June a workshop took place for Safer and Stronger Communities Fund partners to discuss lessons learned from the arrangements operating since April this year, where grants have been pooled and the County Council is acting as accountable body. These arrangements in effect provide a pilot test for the Local Area Agreement. The intention is to draft protocols with partners, learning from the experience of Safer and Stronger Communities Fund working and drawing on best practice using an external advisor supported by Government Office North West. The output from the SSCF workshop will be discussed with a wider group of partners for the Local Area Agreement at a second workshop. The Audit Commission has offered to present its experience of auditing the Lancashire Local Area Agreement which is already established, providing an additional external perspective; and it may be helpful to consider the experience of developing a framework with partners for Childrens Services.

### **3.0 OPTIONS**

- 5.0 A process for accessing pump priming grant and draft criteria are set out in paragraph 2.5. CLASB could accept or amend the proposals.
- 3.1 Options for sharing performance reward grant are set out in paragraph 2.7 and the members of CLASB are invited to express their preferences.

### **4.0 CONCLUSION**

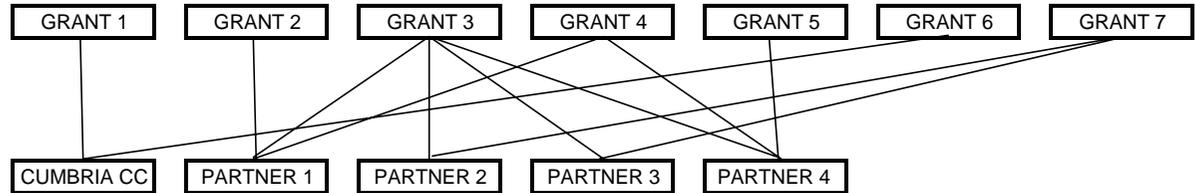
- 4.1 The paper sets out a process for accessing pump priming grant and options for sharing performance reward grant. Agreement in principle would help engage partners in drawing up the Local Area Agreement.

**Anthony Gardner**  
**Director of Strategy and Performance**  
**Cumbria County Council**

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**EXISTING FUNDING ARRANGEMENTS**

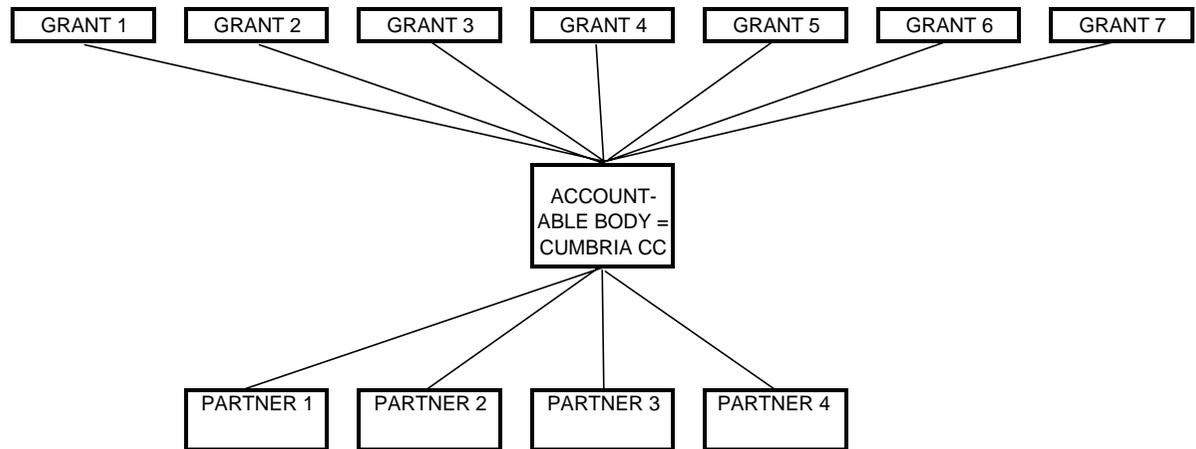
GOVERNMENT PAYS THE INDIVIDUAL FUNDING STREAMS.....



.....DIRECT TO THE RECIPIENT BODIES

**FUNDING POOLED IN THE LAA**

THE EXISTING FUNDING STREAMS....



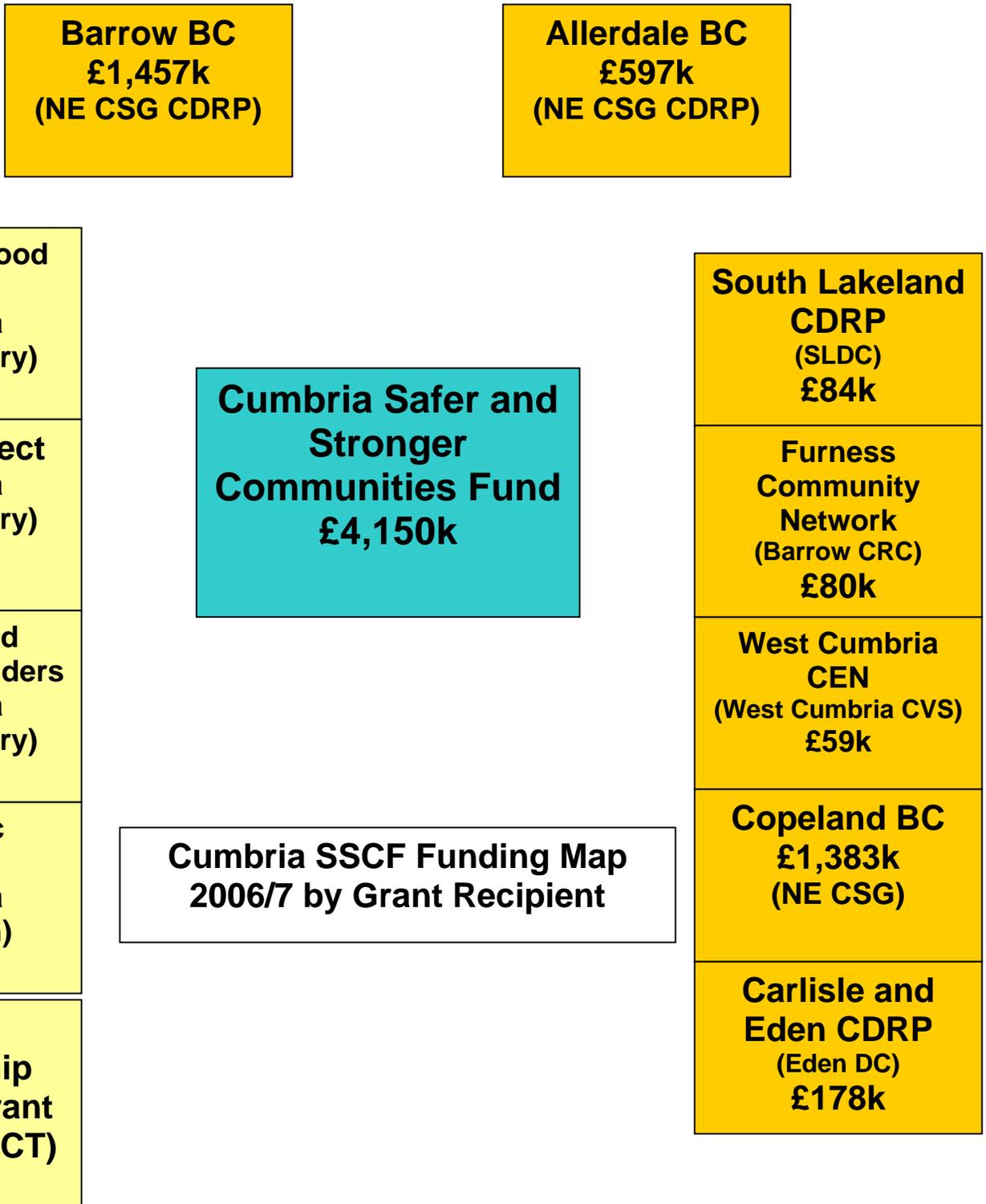
ARE PAID BY GOVERNMENT AS A SINGLE BLOCK TO THE ACCOUNTABLE BODY.....

.....WHO PASSES THE MONEY ON TO OTHER PARTNERS IN ACCORDANCE WITH THE AGREEMENT

**CUMBRIA SAFER AND STRONGER COMMUNITIES FUND 2006/7**

**Funding 2006/7**

The map below gives details of the funding streams for Cumbria SSCF for 2006/7 allocations. This funding is received by Cumbria County Council and then allocated in total to partners.



### **County Overview & Scrutiny Group Task & Finish Group – LAA for Cumbria**

#### ***Key points from scrutiny presentations to CSP Executive; Chief Executive's Group and CLASB***

Over the summer period the task and finish group, from the County Overview & Scrutiny Group, produced a report as the first part of a two-stage scrutiny review on the LAA.

Inevitably the first part of the scrutiny review has been about process – the next stage will be about the future role of scrutiny in monitoring the Local Local Area Agreement as it unfolds and is implemented.

In September 2006, this first joint scrutiny report was presented to both the CSP Executive, and to the Chief Executive's Group.

- Members of the CSP Executive accepted the recommendations of the report, highlighting the need for scrutiny members to recognise that many of the points raised are also relevant to the wider partnership, not just the local authorities.

Chief Executive's Group representatives were invited to give their comments and feedback to scrutiny's recommendations on 22 September 2006.

- With regard to membership of each thematic partnership, it was suggested that rather than have a wider representation, it might be more appropriate to review and reduce their size.
- The feeling of the Chief Executives was that it would be impractical (and wasteful) to have representatives from each local authority on every LAA thematic partnership.
- Adding more representatives could hinder progress rather than assisting it.
- It was generally agreed however, that effective reporting and feedback was vitally important and this will be dependant on having rigorous and robust mechanisms in place within all authorities and with partners.
- Chief Executive's would do all they can to encourage effective reporting and communication within their own and partner organisations, ensuring the prevailing culture is both positive and beneficial.
- With regard to a future role for scrutiny, the Group's discussion centred around the scrutiny and monitoring of the LAA which it considered should be undertaken by both CLASB, in order that the leaders of each Council understood the value of the LAA, and by a joint (CC/DC) overview & scrutiny process.

- Overview and scrutiny at a district-wide level it was felt should already be happening and scrutiny should be taking an active role in looking at the development of and the implications of the LAA.

### Agreed:

- **That the County Overview Scrutiny Group be advised that the Chief Executive's group supported the view that the scrutiny and monitoring of the LAA should be carried out jointly, and that the County Overview Scrutiny Committee be asked whether it was considered appropriate for it to undertake this role or to establish a smaller group.**

At the CLASB meeting on Friday 6 October, leaders and Chief Executives were also given an opportunity to comment on scrutiny's recommendations and the feedback to date.

- CLASB were generally supportive of the principle of 'collective' representation at strategic partnership level. Recognising the benefits of the appointment of specialist members who would then feedback to their colleagues in other authorities and within the partnership.
- A strong emphasis was placed on the need to develop a common approach to communication across all local authorities and partner organisations, making best use of e-technology.
- All partners could feed their views back to key member representatives, quickly and effectively. This is seen as the best way of including everyone.
- Chief Executive's would sort out how to achieve 'collective representation' and commit to developing a common communication's system.
- CLASB members also agreed to the idea of a standing joint scrutiny committee which would monitor the implementation of the LAA.