

LONDON BOROUGH OF TOWER HAMLETS

COUNCIL MEETING

WEDNESDAY 4th MARCH 2009

**LOCAL AUTHORITIES (FUNCTIONS AND RESPONSIBILITIES)
REGULATIONS: LOCAL AREA AGREEMENTS**

REPORT OF THE ASSISTANT CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 This report informs the Council of amendments made by Statutory Instrument to the Local Authorities (Functions and Responsibilities) Regulations 2000. The effect of these amendments is that local authorities may decide how responsibility for functions in relation to Local Area Agreements will be allocated within the authority.
- 1.2 The report proposes that in Tower Hamlets functions relating to Local Area Agreements under Part 5 of the Local Government and Public Involvement in Health Act 2007 should be the responsibility of the Executive.

2. RECOMMENDATIONS

- 2.1 That the Authority's functions under sections 106, 110, 111 and 113 of the Local Government and Public Involvement in Health Act 2007, including functions relating to the preparation, submission and modification of a Local Area Agreement, be the responsibility of the Council's Executive; and
- 2.2 That Part 3.2.2 of the Council's Constitution be amended accordingly.

3. BACKGROUND

- 3.1 Part 5 of the Local Government and Public Involvement in Health Act 2007 ('the 2007 Act') introduced a new duty for responsible local authorities to draft and submit to the Secretary of State a Local Area Agreement (LAA). An LAA is an agreement between Central Government and the Local Authority to deliver an agreed level of improvement across a range of national and local priority performance indicators. In effect the LAA is the recognised delivery

vehicle for the objectives identified in the borough's sustainable community strategy (the Tower Hamlets Community Plan 2020).

- 3.2 Tower Hamlets' LAA 2008-2011 was developed alongside the Community Plan and approved by the Council on 11th June 2008. At the time it was the Government's intention that the LAA would be a three year agreement and the 35 targets negotiated and included in the LAA would be used to judge performance in 2011. However, due to delays in the national performance framework, it was subsequently confirmed that year 1 of the agreement would be a transition year, with the opportunity for an LAA 'refresh' focussing on setting targets where baseline performance information was not available in June 2008.
- 3.3 Discussions with partner agencies and central government on the refresh of the LAA are now underway. A report will be submitted to the Cabinet on 11th March and the Government Office for London (GoL) has requested that the approved LAA be submitted by 27th March 2009.

4. LOCAL AREA AGREEMENTS – A 'LOCAL CHOICE' FUNCTION

- 4.1 The Government's original intention as set out in the draft statutory guidance 'Creating strong, safe and prosperous communities' (November 2007) was that the LAA would be approved by the full council. However during consultation on the draft guidance, many respondents including the Local Government Association argued strongly that decisions on responsibility for this function should be left to authorities' discretion.
- 4.2 The Government has accepted this argument and now agrees that it is not necessary to stipulate that full Council approval is required. The reason for this is that the LAA is the delivery agreement for the sustainable community strategy and as such, the objectives in the LAA will already have been subject to approval by full Council as part of the strategy. The Government therefore now accepts that it is not necessary for the LAAs to undergo again the same procedures that apply to the Plans and strategies that make up the Council's Budget and Policy Framework. Furthermore, the LAAs are subject to timetabling requirements set by central government and the flexibility of local discretion will enable local authorities to manage their own arrangements as they see fit to meet these.
- 4.3 To put this into effect the Government has, in the Local Authorities (Functions and Responsibilities) (England) (Amendment) Regulations 2008 (SI 2008/516) and the Local Authorities (Functions and Responsibilities) (England) Amendment No.2) Regulations 2008 (SI 2008/744), inserted the functions in relation to LAAs into Schedule 2 of the Functions and Responsibilities Regulations 2000 (functions which may be (but need not be) the responsibility of an authority's executive).

- 4.4 This makes functions under the following sections of the 2007 Act 'local choice' functions and the Council must now decide whether or not to allocate responsibility for these functions to the Executive:-

Section 106 – Duty to prepare and submit the draft of an LAA

Section 110 – Revision and addition of targets;

Section 111 – Designated targets: revision proposals; and

Section 113 - Duty to publish information about an LAA

- 4.5 For the reasons outlined at 4.2 above the Council is recommended to agree that the functions specified should be Executive Functions and should be inserted into Part 3.2.2 of the Council's Constitution accordingly. The Constitution Working Party has discussed this matter and is in support of the proposal.

- 4.6 In relation to the current refresh of the LAA, should the Council agree the above proposal, this will enable the Cabinet on 11th March to agree the revised LAA in accordance with the 27th March deadline set by GoL.

5. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES AND STANDARDS)

- 5.1 The legal position is set out in the main body of the report.

6. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 6.1 There are no significant financial implications arising directly from the recommendations in this report. Allocation of the LAA functions to the Executive will avoid the possibility of additional costs which could otherwise arise should an extraordinary Council meeting be required at any time to discharge the LAA responsibilities in accordance with a deadline set by government.

LOCAL GOVERNMENT ACT 1972 SECTION 100D (AS AMENDED)

LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT

Brief description of "background paper"	Name and telephone number of holder
Local Government & Public Involvement in Health Act 2007 plus explanatory notes	John S Williams Service Head, Democratic Services 020 7364 4204
Local Authorities (Functions & Responsibilities) Regulations plus Amendments and explanatory notes.	as above