

<b>Committee/Meeting:</b> Cabinet	<b>Date:</b> 10th March 2010	<b>Classification:</b> Unrestricted	<b>Report No:</b> CAB 130/090
<b>Report of:</b> Corporate Director: Lutfur Ali, Assistant Chief Executive  <b>Originating Officer:</b> Kevin Kewin, Deputy Service Head, Strategy and Performance		<b>Title:</b> Local Area Agreement Refresh  <b>Wards Affected:</b> All	

<b>Lead Member</b>	Cllr Lutfur Rahman, Leader Cllr Ohid Ahmed, Lead Member for Performance and Resources
<b>Community Plan Theme</b>	All
<b>Strategic Priority</b>	All

## 1. **SUMMARY**

- 1.1 This report presents the refreshed Local Area Agreement targets for 2010/11.

## 2. **DECISIONS REQUIRED**

Cabinet is recommended to:-

- 2.1 Endorse the Local Area Agreement attached as appendix A.
- 2.2 Authorise the Chief Executive, after consultation with the Leader of the Council, to make appropriate and necessary amendments to the LAA in advance of final submission and publication.
- 2.3 Authorise the Chief Executive, after consultation with the Leader of the Council, to prepare the revision proposal for submission to the Secretary of State.

## 3. **REASONS FOR THE DECISIONS**

- 3.1 The Council has a statutory duty to prepare and cooperate in the development and implementation of the Local Area Agreement. The amended LAA better reflects local and national developments since the Agreement was last endorsed by Cabinet in March 2009.

#### **4. ALTERNATIVE OPTIONS**

- 4.1 The Council would not be fulfilling its statutory obligations if it did not update its LAA in response to central government requirements, including by ensuring that all designated indicators, such as NIs 146 and 150, have targets attached.
- 4.2 The Council could opt to refuse central government's invitation to renegotiate its affordable homes delivery and benefit related targets in the light of the economic downturn. The Council could also refuse central government's proposal to remove teenage pregnancy from reward grant calculations. All of these options are likely to result in the Council receiving less LAA reward grant.

#### **5. BACKGROUND**

- 5.1 Tower Hamlets existing Local Area Agreement (LAA) was agreed by Cabinet and full Council in June 2008. The LAA is an agreement which must be based around up to 35 indicators taken from the government's national indicator set. There was considerable Partnership discussion around the criteria and rationale for including particular indicators within the borough's agreement and the accompanying target levels set.
- 5.2 Local Area Agreements have become a significant element of the central-local relationship - they are the primary mechanism through which local government sets targets with central government. Significantly, in Tower Hamlets, the Local Area Agreement is a primary delivery vehicle of the Community Plan and they were developed in parallel.
- 5.3 It was the government's intention that the LAA would be a three year agreement and that the 35 targets, negotiated with government by June 2008, would be the targets against which performance would be judged in 2011. However, due to delays in the national performance framework, it was confirmed that both years 1 and 2 of the agreement would be transition years with the opportunity for an LAA 'refresh'.
- 5.4 There is a financial reward available from central government to those local areas which perform well against their LAA priorities. LAA performance reward grant is paid to councils based on their performance in the final year of the LAA (ending March 2011). The total reward fund available to Tower Hamlets is £2.5 million. The amount of payment awarded is in proportion to achievement across the agreement's indicators, based on calculation of the level of improvement from baselines to final year targets.

#### **6. BODY OF REPORT**

- 6.1 Central government's main aim for the LAA refresh is to allow local councils and partnerships to review and renegotiate their targets where performance has been significantly impacted upon by the national economic downturn.

Government have identified a range of measures which are likely to have been detrimentally affected by the recession, and a number of these feature in Tower Hamlets' LAA:

NI 151 Employment rate

NI 152 Working age people on out of work benefits

NI 153 Working age people claiming out of work benefits in the worst performing neighbourhoods

NI 154 Net additional homes

NI 155 Affordable homes delivered

- 6.2 The primary focus of the Council, and Partnership, is on delivery and ensuring that mitigating actions are taken wherever possible. Despite the economic downturn, it is projected that Tower Hamlets will still achieve its targets relating to the employment rate (NI 151) and homes delivery (NI 154). However, it is unlikely that the targets related to benefit take-up (NIs 152 and 153) and affordable homes delivery (NI 155) will be met.
- 6.3 It is expected that the number of affordable homes delivered over the three-year LAA will be around 75% of the level envisaged in 2008, despite significant work undertaken by the Council with developers, RSLs, government and other key partners. Government Office for London (GoL) have recognised the activity and effectiveness of the Council and its partners in maintaining significant homes delivery through the economic downturn and a formal response from GoL to inform a revised target is expected shortly.
- 6.4 Over the life of the LAA to date the Council has seen a significant improvement in Tower Hamlets' position in relation to both benefit measures NI 152 (working age people on out of work benefits) and NI 153 (Working age people claiming out of work benefits in the worst performing neighbourhoods). Despite this it is unlikely that the designated LAA targets for 2011 will be met. GoL have recognised the impact of the economic downturn and mitigating action taken by the Council and Partnership, and have agreed to renegotiate. For NI 152, the Partnership has proposed to narrow the gap between Tower Hamlets and the England average over the life of the LAA, the exact level of reduction is subject to further discussions with Government Office for London. In terms of NI 153, the Partnership is proposing to extend Tower Hamlets lead over the England average over the life of the LAA, the exact level of improvement is subject to further discussions with GoL.
- 6.5 Tower Hamlets also has two indicators for which targets have not yet been set: NIs 146 and 150 - employment for people with learning difficulties and adults in contact with mental health services. Baseline data was unavailable in 2008/09 for these measures and there are national concerns relating to the quality of the data that is now available. Although targets are currently being developed for these indicators, GoL have confirmed that they will not be included as part of LAA reward calculations.
- 6.6 All LAA areas nationally with the teenage pregnancy indicator have been invited to remove the measure from LAA reward calculations. Nationally local

partnerships have found their teenage pregnancy targets very challenging as they have been based on reducing the under-18 conception rate by at least 50%, by 2010 from the 1998 baseline. In Tower Hamlets there has been a reduction of more than 20% but the final year LAA target will not be achieved. In light of the recent government guidance, it is recommended that the Council and Partnership accept Government's offer to remove this measure from reward calculations.

- 6.7 GoL have also requested a number of minor changes to existing LAA measures. Baseline data for NIs 1 (proportion of people who believe people from different backgrounds get on well together) and NI 5 (overall satisfaction with the local area) were based on provisional Place Survey data. There was a minor change to the baseline of both these indicators following publication of final 2008/09 data – the target levels set are unaffected. In addition, nationally the Child Poverty measure has been amended to reflect that ONS population estimates, rather than child benefit data, is now being used to determine the total number of children. Government expects local areas to maintain the previously agreed level of improvement (4.5% in Tower Hamlets) with this revised measure.
- 6.8 The Local Area Agreement is a negotiated agreement with central government, represented by Government Office for London. Due to central government delays, refresh negotiations are still ongoing. The current position with LAA indicators, and the proposed target levels, are detailed in appendix A; there will be further discussions with government during March to finalise these. It is recommended that the Chief Executive, after consultation with the Leader of the Council, be authorised to make appropriate and necessary amendments to the LAA in advance of final submission to the Secretary of State.

## **7. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 7.1 The Local Area Agreement sets out local priorities and specific targets until 2011 for the Council and its key partners based on the Community Plan. The plan sets out a framework for allocating and directing financial resources both for the year ahead and the medium term, so that resources are aligned with priorities.
- 7.2 The total reward fund available to Tower Hamlets is £2.5 million and is dependent on the proportion of achievement across the agreement's indicators and assessed on the level of baseline improvement to final year targets. On current performance it is estimated that the Council may receive around half of this sum. However, the final year's targets are subject to further discussions and final agreement with government in March 2010. The outcome of the Council's performance will only be known in March 2011 and the reward grant can only be allocated once the reward grant is known following the Government's final assessment of the Council's Local Area Agreement performance. There are no other financial implications in this report.

## **8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)**

- 8.1 Cabinet is asked to approve the local area agreement (“LAA”) at Appendix A to the report. Essentially this involves revision of designated targets within the LAA, either by addition of targets that could not be set at the time of preparing the LAA, or by amendment of targets to take into account changed economic circumstances or new information.
- 8.2 Pursuant to section 106 of the Local Government and Public Involvement in Health Act 2007 (“the Act”) the Council has a statutory duty to prepare and cooperate in the development and implementation of the LAA. The Council is empowered to make revisions to the LAA, but must follow the procedure in sections 111 and 112 of the Act in order to amend a designated target.
- 8.3 The Council’s functions in relation to preparation and revision of the LAA are local choice functions that the Council has determined may be exercised by Cabinet. In order to amend a designated target the Council must prepare a revision proposal that sets out any or all of the following: (a) changes to designated targets specified in the LAA; (b) removal of designated targets from the LAA; and (c) that additional local improvement targets be specified in the LAA. The new and amended targets proposed in this report will need to be set out in a revision proposal, of which Appendix A will form the basis.
- 8.4 The revision proposal concerns targets that relate to the Council and the community. They reflect the Community Plan, in respect of which the Council has consulted. The Council is required to have regard to the Community Plan in preparing the revision proposal and to guidance issued by the Secretary of State. In preparation of the revision proposal, the Council will need to consult each partner authority and cooperate with them in determining the changes or additions.
- 8.5 The LAA as presented in Appendix A is partially incomplete. Cabinet is asked to authorise the Chief Executive to make any changes to the LAA required following ongoing negotiations. Officers will ensure that any necessary consultation and preparation of the revision proposal has been carried out in accordance with the Act and guidance before submission of the revision proposal to the Secretary of State.

## **9. ONE TOWER HAMLETS CONSIDERATIONS**

- 9.1 ‘One Tower Hamlets’ is the overarching theme of the Local Area Agreement. The contribution of indicators to reducing poverty and inequality, bringing local communities closer together and strengthening local leadership were criteria for their inclusion within the borough’s LAA.

## **10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 10.1 The LAA has a strong focus on environmental sustainability, including an ambitious target relating to the reduction of CO2 emissions within the borough.

**11. RISK MANAGEMENT IMPLICATIONS**

- 11.1 The Community Plan provides a clear, public statement of the Tower Hamlets Partnership's strategic priorities. The LAA sets out some of the key performance indicators and targets against which the performance of the public services – including Council services – will be assessed. Since the Community Plan and LAA are reflected in the service plans and resource allocation of all the service providers in the borough, service risks within the Council are carried by individual Directorates. However, failure to achieve LAA targets would place the reputation of the Council at risk, both locally and nationally.

**12. APPENDICES**

Appendix A – Tower Hamlets Local Area Agreement

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**Local Government Act, 1972 Section 100D (As amended)  
List of "Background Papers" used in the preparation of this report**

None

## Local Area Agreement

Priority	Indicator	Baseline	Targets			Refresh Position
			2008/09	2009/10	2010/11	
Support vibrant town centres and a cleaner, safer public realm	<b>A Great Place to Live</b>					
	<b>NI186:</b> Per capita reduction in CO2 emissions in the LA area	2,015,000t - 9.5 tonnes CO2/cap (2005)	2%	6.0%	10.0%	No change
Support vibrant town centres and a cleaner, safer public realm	<b>NI192:</b> Household waste recycled and composted	11.76% (Waste Data Flow) (2006/07)	19%	26%	32%	No change
	<b>NI195:</b> Improved street and environmental cleanliness	Litter 14 (21.4) Detritus 15 (23.5) Graffiti 9 (13.4) Fly posting 4 (5.9) (2006/07)	12% 13% 8% 3%	10% 11% 7% 2%	8% 10% 6% 2%	No change
Provide affordable housing and strong neighbourhoods	<b>NI154:</b> Net additional homes	2370 (2006/07)	2999 (av)	2999 (av)	2999 (av)	No change
	<b>NI155:</b> Affordable homes delivered	1047(2006/07)	1688 (av)	1688 (av)	1688 (av)	The Partnership is currently negotiating a revised target with GoL
Provide affordable housing and strong neighbourhoods	<b>NI158:</b> Decent Homes	59% (2006/07)	51%	49%	47%	No change

Priority	Indicator	Targets				Refresh Position
		Baseline	2008/09	2009/10	2010/11	
Strengthen and connect communities	<b>NI1:</b> % of people who believe people from different backgrounds get on well together	62.5 % (2008/9) 62.6% ( <i>amended</i> )	62.5 % 62.6%	No survey	66.4%	The baseline has been amended from 62.5% to 62.6% following receipt of final data
Strengthen and connect communities	<b>NI5:</b> Overall/general satisfaction with local area	69.2% (2008/9) 69.1% ( <i>amended</i> )	69.2% 69.1%	No survey	72.6%	The baseline has been amended from 69.2% to 69.1% following receipt of final data
Strengthen and connect communities	<b>NI47:</b> People killed or seriously injured in road traffic accidents	124 (2006/07)	117	111	105	No change



Priority	Indicator	Targets Refreshed March 09				Refresh Position
		Baseline	2008/09	2009/10	2010/11	
A Prosperous Community	NI151: Employment rate	53.2 (June 2007)	54%	54.9%	55.7%	NI151 – no change
Reduce worklessness	NI153: Working age people claiming out of work benefits in the worst performing neighbourhoods	29.8% (May 2007)	29%	28%	26.8%	NIs 152 and 153. The Partnership is currently negotiating a revised target with GoL
Reduce worklessness	NI 152: Working age people on out of work benefits	18.3 (May 2007)	17.9%	17.2%	16.3%	
Reduce worklessness	NI 116 Proportion of children in child poverty	46.4% (April 2006/07) 51.4% (amended)	45%	43.5%	41.9% 46.9% (amended)	Partnerships are expected to amend their baseline and targets in light of the amended measure but maintain the previously agreed level of improvement
Reduce worklessness	NI146: Adults with learning disabilities in employment	51.4	THP has committed to a statistically significant improvement – the final target will be confirmed once the data for year 2008/09 is available.			2008/09 baseline data are available and targets are being developed. This measure will not be considered in LAA reward grant calculations

Priority	Indicator	Targets Refreshed March 09				Refresh Position
		Baseline	2008/09	2009/10	2010/11	
A Prosperous Community	<b>NI150:</b> Adults in contact with secondary mental health in services in employment	-	<i>Target setting deferred</i>			2008/09 baseline data are available and targets are being developed. This measure will not be considered in LAA reward grant calculations
		<b>NI17:</b> Environment for a thriving Third Sector	21 % (2008/9)	Baseline data not be available for 2009/09 refresh. THP has committed to a statistically significant improvement - the final target will be confirmed once the data for year 2008/09 is available. THP has agreed a target based on a minimum statistically significant level of improvement, i.e. target approx 27%. The significance level for this indicator will be calculated once 10/11 results are available.		
Reduce worklessness	<b>NI79:</b> Achievement of a level 2 qualification by age 19 <b>NI80:</b> Achievement of a level 3 qualification by age 19 <b>NI106:</b> Young people from low income backgrounds progressing to higher education	58% (2006/07)	67%	69.5%	71.8%	No change
Support lifelong learning opportunities for all	<b>NI110:</b> Young people's participation in positive activities <b>NI117:</b> 16-18 year olds who are NEET	37% (2006/07)	40%	43%	46%	No change
Support lifelong learning opportunities for all		4.6% (2005/6)	-	2%	0%	No change
Support lifelong learning opportunities for all		70.3 (2008/9)	70.3%	75%	81.5%	No change
Reduce worklessness		8.2% (Nov 07-Jan 08)	7%	6.25%	6%	No change

Priority	Indicator	Targets Refreshed March 09				Refresh Position
		Baseline	2008/09	2009/10	2010/11	
A Safe and Supportive Community						
Focus on early intervention	<b>NI35:</b> Building resilience to violent extremism	3 (2007/08)	4	4.5	5	No change
Tackle and prevent crime	<b>NI15:</b> Serious violent crime	2.5 incidents per 1,000 population (2008/9)	2.5	2.43	2.33	No change
Tackle and prevent crime	<b>NI16:</b> Serious acquisitive crime rate	33.44 incidents per 1,000 population (2007/08)	32.04	31.40	30.77	No change
Tackle and prevent crime	<b>NI18:</b> Adults re-offending rates for those under probation supervision	11%		10.45%	9.90%	No change
Tackle and prevent crime	<b>NI19:</b> Rate of proven re-offending by young offenders	121 (2005/6)	117	113	108	No change
Tackle and prevent crime	<b>NI21:</b> Dealing with local concerns about ASB and crime	23.3% (2008/9)	23.3%	No survey	33.3%	No change
Tackle and prevent crime	<b>NI33:</b> Arson Incidents	51 incidents per 10,000 population (2007/08) Primary 12.6	49 Primary	48 Primary 11.9	46 Primary	No change

Priority	Indicator	Targets Refreshed March 09				Refresh Position
		Baseline	2008/09	2009/10	2010/11	
A Safe and Supportive Community		Sec. 38.0	12.2 Sec. 36.9	Sec. 35.8	11.5 Sec. 34.7	
Focus on early intervention	<b>NI40:</b> Drug users in effective treatment	1353	1461	1476	1491	No change
Tackle and prevent crime	<b>NI42:</b> Perceptions of drug use or drug dealing as a problem	60.5% (2008/9)	60.5%	No survey	56.5%	No change
Empower older and vulnerable people and support families	<b>NI135:</b> Carers receiving needs assessment or review and a specific carer's service, or advice and information	15.9%	20.9%	25.9	30.9%	No change

Priority	Indicator	Targets Refreshed March 09				Refresh Position
		Baseline	2008/09	2009/10	2010/11	
Reduce differences in people's health and promote healthy lifestyles	<b>A Healthy Community</b>					
	<b>NI156:</b> Obesity among primary school age children in year 6	23.0% (2007/08)	22.9%	23.6%	23.7%	No change
Reduce differences in people's health and promote healthy lifestyles	<b>NI112:</b> Under 18 conception rate	-24.2% (2006/07)	-47%	-48.7	-55%	No change. This measure will not be considered by government in LAA reward grant calculations
	<b>NI123:</b> Stopped smoking	1276 (2006/07)	1,025	1,043	1,061	No change
Reduce differences in people's health and promote healthy lifestyles	<b>NI120:</b> All-age all-cause mortality rate	856 (male) (2006) 578 (female) (2006)	821 (m) 563 (f)	804 (m) 555 (f)	787 (m) 547 (f)	No change