

TELFORD & WREKIN COUNCIL

CABINET - 9 MARCH 2010

LOCAL AREA AGREEMENT 2 REFRESH 2010

REPORT OF THE ASSISTANT CHIEF EXECUTIVE

1. PURPOSE

- 1.1. To seek sign-off of proposed revisions to Local Area Agreement 2 (LAA2) targets as authorised by CLG.

2. RECOMMENDATIONS

- 2.1. **That the proposed amendments to our LAA2 basket are endorsed:**

- **NI152 working age people on out of work benefits:**
 - **that the methodology is switched to benchmark Borough performance against the national position from an approach that simply tracks year-on-year Borough performance**
 - **that authority to agree the final target is delegated to the Assistant Chief Executive in consultation with the relevant lead Cabinet Member**
- **NI154 net additional homes in 2010/11 – that the target is revised down from 850 to 522 to reflect the impact of the recession on the housing market**
- **NI172 small business showing employment growth – no change as the target is on track**
- **‘Place Survey’ indicators – no change as current targets offer significant performance challenge**
- **NI112 teenage pregnancy – that this target is removed from any reward grant calculation**

3. BACKGROUND

- 3.1 The LAA2 was signed off with Government in June 2008 and comprises 37 indicators with stretch targets for 2010/11 against some of the most intractable issues in the Borough: teenage pregnancies, young people and adults not in work, educational attainment and low level of skills, alcohol abuse, violent crime and anti-social behaviour, obesity, homelessness and climate change. As well as making a difference to the lives of some of the most vulnerable people in the Borough, achieving our LAA targets will result in a (likely) maximum £1m reward grant from Government.
- 3.2 There is a requirement by Government that performance is annually reviewed and targets refreshed and renegotiated, based on both annual performance and any changes in local/national priorities and circumstances.

2009/10 REVIEW OF TARGETS

- 3.3 CLG identified a small basket of indicators for which the revision of targets would be considered in 2009/10: those not locked down in the 2008/09 review because of the impact of the recession and 'Place Survey' indicators. **We have been informed that all approaches to review any other targets will be rejected by CLG.**
- 3.4 A review of these targets has been completed and our proposed revised position is as follows:

NI152 Working Age People on Out of Work Benefits

Indicator	2008/09 baseline	Current 2010/11 target
NI 152 Working age people on out of work benefits	13%	12.2%

- 3.5 Current 2009/10 performance is 15.4%, some 3.1% points above our current 2010/11 target of 12.2%. Based on the ongoing impact of the recession, **it is proposed switching the target from an absolute measure to one which focuses on narrowing the gap between the Telford & Wrekin position and the England average.**
- 3.6 Over the past two years the gap between the Borough and the England position has increased from 1.3% points in 2007 to 1.9% points in 2009. On this basis, the following targets are recommended:
- **2009/10 of 1.9% points**
 - **2010/11 to lower the gap to 1.6% points.**
- 3.7 This proposal if agreed will also become the basis for a common target for all authorities in the emerging Multi Area Agreement for the West Midlands. In principle this methodology has been accepted by GOWM/CLG, however, final agreement on the actual level of performance is to be completed. **It is proposed that authority to agree the final target is delegated to the Assistant Chief Executive in consultation with the relevant lead Cabinet Member.**

NI154 Net Additional Homes

Indicator	2008/09 baseline	Current 2010/11 target
NI 154 Net additional homes per annum	473	850

- 3.8 The recession has had a significant impact on our performance against this target. Based on current projected performance, we forecast that we will miss the 2009/10 target by 28% and in 2010/11 by 39%.
- 3.9 **Based on projected performance, it is proposed to revise targets to:**
- **2009/10 target 506 from 700**
 - **2010/11 target 522 from 850**
- 3.10 If agreed, the new targets will reduce the cumulative 3 year housing target from 2,120 to 1,490 (30%). **GOWM have approved this proposed target in principle.**

NI172 Small Businesses Showing Growth

- 3.11 **We are proposing ‘no change’ to NI172 small businesses showing employment growth.** We are projecting to achieve our existing 2010/11 target – current performance is 1.1% above regional average.

Indicator	2008/09 baseline	Current 2010/11 target
NI 172 Small business showing employment growth	1.1% above regional average	1% above the regional average

Place Survey Indicators

Indicator	Current		Revised	
	Baseline	Target	Baseline	Target
NI1 Percentage of people who believe people from different backgrounds get on well together in their local area	73.5%	77.6% (4.1pp)	72.9%	78.1% (5.2pp)
NI 5 Overall/general satisfaction with local area	78.3%	81.6% (3.3pp)	78.2%	82.3% (4.1pp)
NI 17 Perceptions of anti social behaviour as a major problem	20.9%	17.6% (3.3pp)	21.0%	16.9% (4.1pp)

- 3.12 Pre-existing targets for these indicators were based on provisional Place Survey results released in February 2009. The final baseline results for this survey have now been confirmed. However, this had an impact on the confidence intervals of the results for which revised targets have now been produced. **Based on GOWM guidance, we are proposing to keep the original targets as they are marginally less challenging than the revised ones. Such a decision will not impact on our qualification for any reward grant associated with these targets.**
- 3.13 At the beginning of February, CLG announced that authorities could, if they so chose, remove NI112 teenage pregnancy from the basket of LAA2 targets for the purposes of calculating reward grant. We are not currently on track to achieve this very challenging target. **We therefore propose that this indicator is removed from the LAA2 reward grant calculation.**

4 Equal Opportunities

- 4.1 LAA targets have significant equal opportunity implications. Achievement of these targets has the potential to narrow the gap between our most and least deprived and vulnerable communities. This framework has been designed to improve the quality of opportunity within the Borough.

5 Environmental Impact

- 5.1 A key element of the LAA is to improve the quality of the environment within the Borough. Failure to improve these targets will mean that important changes to the quality of the environment will not have been achieved.

6 Legal Implications

- 6.1 The Council has the statutory responsibility and is the accountable body for the LAA.

7 Financial Implications

- 7.1 The LAA gives the Council and its partners the freedom to pool specific non-mainstream grants (within a new Area Based Grant) in order to better meet agreed Council Plan/Community Strategy targets. These targets are monitored and managed through a performance management framework both with the Council and LSP.
- 7.2 Under the LAA model, external area-based funding streams will in future either be mainstreamed, as part of local authorities' Revenue Support Grant, 'pooled' within a 'single pot' Area Based Grant (ABG), or remain outside as ring-fenced special grants (e.g. Sure Start and Supporting People Grants). The ABG is worth around £9m in 2008/09, rising to £12m in the following two years (NB this is **not** new money).
- 7.3 The Treasury, through the CSR 2007, stated that financial incentives in the form of Performance reward Grant (but not pump-priming grant) for achieving stretch target will be available. Government has not yet announced how this will be applied.

8 Ward Implications

- 8.1 LAA targets will impact on all wards. However, many of the Borough's intractable problems (for example unemployment) which this framework seeks to address are disproportionately concentrated in the more deprived wards of Telford. It is the objective of this framework to 'narrow the gap' between these wards and the rest of the Borough.

9 Links with Corporate Priorities

- 9.1 LAA targets are a key part of the framework to deliver corporate priorities.

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