

READING BOROUGH COUNCIL

REPORT BY CHIEF EXECUTIVE

TO:	COUNCIL		
DATE:	31 MARCH 2009	AGENDA ITEM:	9
TITLE:	READING'S SECOND LOCAL AREA AGREEMENT REFRESH		
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1. EXECUTIVE SUMMARY

- 1.1 Further to Minutes 57 of Council on 27 January 2009, and 160 of Cabinet on 16 March 2009, this report provides an overview of the recent refresh of the second Local Area Agreement (LAA2) between central government and Reading.
- 1.2 The report presents the current draft of LAA2 (as at 17 March 2009), attached at **Appendix 1**. The final version will have been submitted to the Government Office for the South East (GOSE) on 26 March 2009. Given the timescales, Council on 27 January 2009 had agreed that any final amendments, prior to submission, would be signed off by the Director of Resources under his delegated powers. This process was noted by Cabinet on 16 March 2009, which also endorsed the final draft of LAA2 for submission to GOSE in the absence of an appropriate Council meeting.

2. RECOMMENDED ACTION

- 2.1 That the final draft of Reading's second Local Area Agreement, as submitted to GOSE on 26 March 2009, be given retrospective approval.

3. POLICY CONTEXT

- 3.1 The requirement to draft and publish a Community Strategy was contained in the Local Government Act 2000. The 2006 Local Government white paper indicated that, following the Egan review, this should be recast as a Sustainable Community Strategy and relate more directly to sustainable development, sustainable communities and the Local Development Framework.

3.2 The Sustainable Community Strategy should be a partnership document developed through the Local Strategic Partnership. The recent Local Government and Public Involvement in Health Act 2007 has placed a statutory duty on public sector partners to prepare a Local Area Agreement, which is the delivery plan of the community strategy.

4. LOCAL AREA AGREEMENT 2 REFRESH 2008/09

4.1 The LAA refresh process is an opportunity to revise or refresh, by exception, particular targets to reflect changes in local circumstances or national priorities, where clear evidence is available. However, this year most changes are around 'unfinished business' from the LAA negotiations last year, relating to delayed and revised national indicators.

4.2 If the targets are all achieved in full, Reading should expect to receive £914,500 in reward grant. Under the new reward model, the amount of reward will be based upon average performance across the 'up to 35' designated targets, of which Reading has 34.

4.3 Appendix 1 presents the draft of the revised LAA2 as at 17 March, following negotiations with GOSE. The final version was submitted to GOSE on 26 March for onward transmission to central government for ministerial sign off.

4.4 It was agreed at Council on 27 January that the final revised LAA2 would be signed off by the Director of Resources, following consideration by Cabinet on 16 March 2009, in the absence of a suitable Council meeting for sign off prior to submission of the LAA to GOSE on 26 March 2009.

4.5 It has recently been announced that, for a set of nine indicators which are directly affected by the economy, the setting of the targets which will count in terms of payment of reward can be deferred until the annual review next year. This has been agreed for five of Reading's indicators:

- NI 116 Child poverty
- NI 152 Out of work benefits
- NI 154 New homes
- NI 155 Affordable housing
- NI 171 New business registration rate

4.6 The Place Survey data is currently going through additional quality assurance checks by UK Statistics¹ prior to publication, which means that there is a possibility of changes to local data subsequent to the submission of the agreement. The agreement will therefore include a caveat to say that in this unlikely event the relevant targets will need to be renegotiated.

¹ UK Statistics has replaced the Office for National Statistics (ONS).

- 4.7 The agreement also includes a number of 'local' indicators which will not be included in the reward calculation and do not have to be agreed with government, but which, along with the designated targets, monitor the local area's key priorities, reflecting the Sustainable Community Strategy.

5. COMMUNITY ENGAGEMENT AND INFORMATION

- 5.1 The Reading 2020 Partnership structure includes community and voluntary sector representation as well as that from public and private sectors, at Board, theme partnership and Forum levels.
- 5.2 Stakeholder consultation across delivery partners and client groups has been central to the development of the Sustainable Community Strategy and key priorities which have informed the LAA as delivery plan.

6. LEGAL IMPLICATIONS

- 6.1 Production of the Sustainable Community Strategy is a statutory requirement as set out in the Local Government Act 2000.
- 6.2 A further statutory duty for public sector partners to co-operate in the production of a Local Area Agreement is included within the recent Local Government and Public Involvement in Health Act 2007.

7. FINANCIAL IMPLICATIONS

- 7.1 The development of the Sustainable Community Strategy and its attendant Local Area Agreement will have implications for resource allocation and use in the local area.
- 7.2 Achievement of the targets agreed as part of the LAA will attract Performance Reward Grant. The maximum amount of PRG for LAA2 is £914,500.

8. BACKGROUND PAPERS

- 8.1 Reading Local Area Agreements 2007-2010 and 2008-2011.
- 8.2 Local Government Act 2000.
- 8.3 Local Government and Public Involvement in Health Act 2007.