

BE BIRMINGHAM PROGRAMME BOARD 12 MARCH 2008

The LAA negotiation process and the role of the ‘ Whitehall Champion’

Introduction

This note reminds Board Members of the proposed timetable for the negotiation of the LAA and summarises the roles which might be fulfilled by our Whitehall Champion, Helen Ghosh.

Timetable

The table below summarises the timetable in the Operational Guidance.

Month	Action
February	Local authorities and partners consider what targets they may set to be achieved for the selected indicators, in discussion with GOs.
March	Continuing negotiation of outcomes, indicators and targets between local authorities and partners and GOs.
	Local authorities and partners submit proposed targets to GOs.
April/May	Continuing negotiation of outcomes, indicators and targets between local authorities and partners and GOs.
Early June	Formal submission of LAAs to GOs. GO Regional Directors make recommendations to Central Government.
June	Secretary of State of Communities and Local Government considers all LAAs submitted for her approval, and consults with cabinet colleagues.
	Approved LAAs and designated targets in place.

Good progress has been made by the Partnership in both deciding on the ‘up to 35’ designated indicators and submitting draft targets by 7 March.

GOWM is currently receiving advice from policy experts on targets for the selected indicators. We therefore anticipate discussing targets with the Partnership over the next month, and would ideally like to have the majority of

targets agreed with the Partnership by mid-April (next Programme Board, 15 April).

The GOWM Regional Director will be submitting all LAAs to Ministers in early June. Therefore, to allow her to prepare her recommendations we would expect to have all negotiations completed by mid-May.

Delivery Planning

We appreciate that the Delivery Planning process has already commenced and will support the negotiations over targets. The Board is reminded, unlike the last LAA, the funding constraints are minimal and Annex 1 summarises the current position.

Process

To achieve this timetable we anticipate negotiations to be required between now and at least mid-April.

The first stage will involve the negotiation of the list of designated indicators. The GOWM team has been regularly reviewing the emerging indicators and comparing with priorities from Government Departments. Once the final list of indicators is available we may need further evidence to inform discussions with Departments. In particular the supporting LAA Delivery Plans will address a number of the national indicators which are not actually designated. A thorough understanding of delivery will assist in reassuring Departments.

Once Departments' initial thoughts on targets are available GOWM will compare them with the draft LAA targets to identify priority issues for further negotiation. The aim will be to provide the Partnership with evidence to support discussions around the appropriate level for any given target.

We anticipate there will be a need for meetings focussed on specific indicators or groups of indicators to discuss the evidence and ensure a common understanding of the ambition relating to proposed target levels.

Whitehall Champion

A number of high profile LAAs have been assigned a Whitehall Champion who is available to support the negotiation process. Helen Ghosh, the Permanent Secretary at Defra, is the Champion for Birmingham. The role for the Champions will depend on the negotiations and therefore at this stage there is no specifically defined role. However, areas of work in which Champions might get involved include:

- a) Helping to resolve any sticking points between the Partnership and Whitehall (e.g. the 'up to 35'), and supporting the GO in identifying difficult trade-offs over particular indicators

- b) Negotiating the right level of ambition. The targets should be as stretching as they can be, while potentially achievable.

- c) Taking up challenges for Whitehall that arise during the negotiations (e.g. increased flexibility)
- d) Establishing a recommendation for Whitehall on whether to agree LAA proposals that are highly innovative in their approach.
- e) Establishing a cross-cutting Central Government perspective where there are many legitimate but competing priorities. The Champion is engaged with the locality as a representative of Central Government as a whole, not purely as a representative from his or her Department.

Due to the size of the local authority area Birmingham is rightly important to the delivery of policies for all Departments. It is therefore quite likely that item e) will be an initial priority for Helen. Beyond that, the level of involvement will depend on the level of ambition in the proposed targets and whether innovative approaches are sought.

Philippa Holland
GOWM

ANNEX 1

Local Area Agreements 2008/11

Funding – key messages

Current LAAs

Grant ring-fenced for the delivery of LAA outcomes – generally by LAA block

New LAAs

LAA targets no longer tied to funding streams – all local resources should support them – this includes:

- **Revenue Support Grant**
- **Area Based Grant (ABG)** - a new non-ringfenced general grant
- **Specific Grants** general presumption against these in future

Funding available to other partners, eg AWM, LSC, PCT, should also contribute to delivering LAA targets.

Nationally, at least £5 billion of specific grants moving into non-ringfenced general grants - around £1 billion into RSG and over £4 billion into ABG over the course of the CSR period.

ABG on a **three year basis**, from April 2008, to maximise stability and certainty, helping authorities to manage their budgets effectively.

Area Based Grant – Birmingham 08/09

To provide an indication of the scale of the ABG, the contributions for Birmingham are summarised below:

DCLG	36.078
DCFS	29.609
DH	23.700
HO	1.253
DfT	0.001
Total	90.641

Birmingham is also part of a pathfinder which means the Supporting People funding for 08/09 will be paid as a separate but also non-ringfenced ABG.