KENT LOCAL AREA AGREEMENT

1. Summary

1.1 The purpose of this report is to inform the Cabinet about progress with the Kent Local Area Agreement, in particular the outcomes which have been agreed, the proposed distribution of Performance Reward Grant and the next steps to be taken.

2. RECOMMENDATION(S)

2.1. That Cabinet note the current position with regard to the Kent Local Area Agreement.

3. Background and Discussion

3.1. The Kent Local Area Agreement was signed by Kent County Council, its partners and the Government in March 2005. Signatories included the 12 District Councils. It was agreed that this was a signature in principle, and that a final signing would take place following detailed negotiations over the outcomes and the distribution of any Performance Reward Grant (PRG). The authority to sign on behalf of Dartford Borough Council was delegated to the Leader and the Managing Director (Min 349/05 refers).

3.2. 18 Local Area Agreement outcomes have been agreed with the Government, and these are set out in Appendix A. Each outcome has been assigned a lead partner who is responsible for producing an Outcome Delivery Plan. This sets out how the targets agreed in the outcome are to be achieved, as well as a set of performance indicators by which performance can be measured. Performance is to be regularly reported, both to the Kent Public Service Board and the Government Office for the South East. District Councils have been assigned the lead for four outcomes.

3.3. The first of the District led outcomes is Outcome 7: To improve participation and engagement by all children and young people in youth, cultural and community activities. The overall target for this outcome is that each District will make an agreement with Kent County Council in terms of meeting their responsibilities under the Children’s Act. This outcome will be led by District Community Development Officers.

3.4. The second District led outcome is Outcome 13: To increase the capacity of local communities so that people are empowered to participate in local decision making and delivery of services. The overall targets for this outcome include an increase in the number of community projects, and an
increased perception of community cohesion amongst residents. Again this outcome is to be led by the District Community Development Officers.

3.5. The third outcome is Outcome 14: Cleaner and greener public spaces. The overall targets for this outcome are a 20% increase in the number of Kent residents who perceive the County to be clean, a reduction in rubbish fires and increased prosecutions of flytippers. This outcome is to be led by the Kent Waste Forum.

3.6. The final District outcome is Outcome 17: To improve Kent residents’ access to homes of excellent quality, in the right place, at the right time and at the right cost. Key targets are increasing the number of homes which meet the “decent homes” standard and to increase the supply of affordable housing. This outcome is to be led by the Kent Housing Group.

3.7. Whilst the above four outcomes have been directly assigned to the Districts, the District Councils also have a substantial interest in other outcomes, such as outcomes 9, 10, 11 and 12 relating to Community Safety and outcomes 16 and 18 relating to independent and healthy living.

3.8. As a part of the LAA process, partners are allowed to negotiate “freedoms and flexibilities” which they consider will assist them in achieving the outcomes specified in the LAA. These freedoms and flexibilities can include lighter touch inspection and regulation, freedom to use budgets flexibly etc. No freedoms or flexibilities were requested by KCC for outcomes 7, 13, or 14. However three freedoms were requested around outcome 17. These were; retaining the council tax raised on long term empty homes, restricting Housing Benefit payments to landlords of unfit premises, and the provision of tax incentives to older people to move into smaller more suitable homes. None of the freedoms was granted. Partner agencies can continue to request freedoms and flexibilities throughout the lifetime of the agreement.

3.9. The Local Area Agreement also contains 14 Local Public Service Agreement 2 targets. These have been subsumed into the LAA outcomes. With the LPSA 2 targets come two funding streams. The first is Pump Priming Grant (PPG) and the second is Performance Reward Grant (PRG).

3.10. PPG is paid at the start of the agreement, to meet project start up costs. It is not linked to meeting targets and does not have to be paid back, even if none of the LPSA2 targets are met. In the case of Kent, PPG amounts to £2,000,000.

3.11. The PRG is based upon a calculation of 2.5% of council net budget. For Kent County Council this amounts to £31.73 million, whilst for the 12 Districts the figure is £4.22 million, leading to a total of £35.95 million.
3.12. PRG is payable at the end of the agreement, and will be paid in 2008/09 and 2009/10. The maximum payment will be made if 100% of the LPSA 2 targets are met. Reward grant starts to be paid when at least 60% of the individual targets are met. From that point PRG is proportionate to the achievement of the target.

3.13. There are some LAA outcomes which do not attract PRG, and these include outcomes 7 and 13. The County Council has put forward some ideas in terms of allocating PRG. The issue is being discussed by District Chief Executives and Leaders in early September. Indications from other parts of the Country suggest that payment to partners is made on the basis of contribution made to the achievement of the target, or that Districts receive a top slice equivalent to 2.5% of their net budget, which in Kent would amount to £4.22 million, or £351k per District.

3.14. There is a reasonable degree of fit between the outcomes enshrined in the Local Area Agreement, and indeed LPSA2, and the Council’s own priorities as expressed in the Corporate Plan. The Council has already agreed targets and set budgets which contribute towards the achievement of many of the LAA outcomes. For example targets have been set around the number of homes meeting the “decent homes” standard, about engaging young people, removing graffiti and increasing prosecutions for flytipping. As such the Council will not need to make further investments in these areas as part of the LAA. If further investment was necessary, the Council would look to Pump Priming Grant.

3.15. As has been stated in paragraph 3.13 above, not all of the outcomes have reward grant attached to them. However one of the fundamental principles of the Local Area Agreement process is that mainstream funding should, wherever possible, be aligned to local priorities. There is therefore a clear role for the Local Strategic Partnership in identifying how the priorities of the Local Area Agreement fit with the priorities for the local area, and working with partner agencies to ensure that their budgets are aligned to those priorities.

3.16. Work is continuing on the development of the draft Outcome Delivery Plans and on a proposed formula for distributing the Performance Reward Grant. Once these proposals have been firmed up, the Council will be in a position to decide whether to give a final signature to the agreement and, if so, to begin work with the LSP on a localised approach to delivery. It is anticipated that this position will be reached by September 2005.

4. Relationship to the Corporate Plan

The Local Area Agreement will support and underpin a number of Corporate Plan targets. These include CC1 - To reduce anti social behaviour, E2 – Reduce incidences of flytipping by 10% and increase by 10% those
prosecuted, H2 – To complete the Stock Options Appraisal, including Plan to meet the Decent Homes Standard by 2012, and H3 – Secure 60 units of Key Worker housing.

5. **Financial, legal, staffing and other administrative implications and risk assessments**

<table>
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<tr>
<th>Financial Implications</th>
<th>There is no additional expenditure planned with regard to the LAA. Should it become apparent that some start up expenditure is required, Kent County Council will be approached to secure Pump Priming Grant before any commitment is made. Should the targets agreed be met, then the Council will receive Performance Reward Grant, over two instalments in 2008/09 and 2009/10.</th>
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<tbody>
<tr>
<td>Legal Implications</td>
<td>The Local Area Agreement is not legally binding.</td>
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<td>Staffing Implications</td>
<td>The Council can respond to this initiative within existing staffing levels.</td>
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<td>Administrative Implications</td>
<td>None</td>
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<td>Risk Assessment</td>
<td>There is a risk that the Partnership will not meet the targets set. In that eventuality, even if Dartford Borough Council met its targets, no reward grant will be payable. However the Council intends to meet the targets within budgets already agreed, and as such has not incurred additional costs in relation to the LAA. The Council will not lose money.</td>
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6. **Appendices**

Appendix A Local Area Agreement Outcomes

**BACKGROUND PAPERS**

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<td>Policy Regeneration</td>
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CABINET
22 SEPTEMBER 2005