LOCAL AREA AGREEMENT

Final Distribution

- Project Officer - Corporate Policy Unit
- Corporate Manager (Improvement)
- Interim Assistant Director
- Partnership Inspector
- Teenage Pregnancy Coordinator
- Director of Strategy & Planning / Deputy Director of Public Health
- Chief Spatial Planner
- Partnering Manager
- Policy Officer
- Knowledge and Information Manager
- Director of Children’s Services
- Interim Assistant Director
- Assistant Director Targeted Education Support
- Interim Manager - Knowledge & Information Services

Lynda Baker – Audit Services Manager
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DECEMBER 2008
EXECUTIVE SUMMARY

1 INTRODUCTION

1.1 Background

In 2006, the Government published Strong and Prosperous Communities. This white paper proposed a new, integrated local performance framework covering all outcomes delivered by local government alone or in partnership. At the heart of this framework was a new generation of Local Area Agreements (LAAs) – which would become the sole source of target setting and agreement between central and local government (and their partners).

In 2008 all upper tier and unitary local authorities and their partners in England have negotiated an LAA which includes up to 35 ambitious but realistic targets based upon the new National Indicator Set announced by Government as part of the Comprehensive Spending Review in October 2007.

The Local Area Agreement is a three year agreement, based on local Sustainable Community Strategies, that sets out the priorities for a local area agreed between Central Government, represented by the Government Office, and a local area, represented by the local authority and other key partners through Local Strategic Partnerships.

For 2007/08 the LAA is funded via the Area Based Grant. In addition to this Grant a Reward Grant is also payable. This grant will be awarded by Government based on the average performance across the LAA targets. The reward for Milton Keynes is potentially £1.5 million. The indicators have been selected following an assessment of possible performance improvement and associated risks of achievement and also government instruction.

Of the 34 indicators, selected by the council, 6 have been scored as a Risk Probability of high and an Impact of high. Thus the Corporate Policy & Performance Team has requested that Internal Audit review these 6 indicators to ensure that as much as possible is being done to mitigate the risk to allow the best possible outcome thus helping to achieve a performance that allows the council to benefit from the reward grant.
1.2 **Objectives and Scope**

The indicators reviewed are as follows:

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<thead>
<tr>
<th></th>
<th>Objectives</th>
<th>Risk of not achieving target</th>
<th>Efforts undertaken to achieve target</th>
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<tbody>
<tr>
<td>a)</td>
<td>NI 30 – Re-offending rate of prolific and priority offenders</td>
<td>![Green Circle]</td>
<td>3</td>
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<tr>
<td>b)</td>
<td>NI 112 – Under 18 conception rate</td>
<td>![Red Circle]</td>
<td>3</td>
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<tr>
<td>c)</td>
<td>NI 114 – Rate of permanent exclusions from school</td>
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<td>3</td>
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<td>d)</td>
<td>NI 123 – 16+ current smoking rate prevalence **</td>
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<td>3</td>
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<td>e)</td>
<td>NI 155 – Number of affordable homes delivered (gross)</td>
<td>![Red Circle]</td>
<td>3</td>
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<tr>
<td>f)</td>
<td>NI 187 – Tackling fuel poverty</td>
<td>![Red Circle]</td>
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Key: Risk of not achieving target: ✓ = no problem. ◯ = very risky.
Efforts undertaken to achieve target: 3 = Good, 1 = poor

(** This indicator has been amended from 2009/10 so revised targets will need to be negotiated. Performance will be monitored using a survey)

2 **AUDIT OPINION**

**Good** – Although there are possibilities that all targets will not be achieved, the work being undertaken to realise good results is ensuring improved outcomes for the residents of Milton Keynes.

3 **CONCLUSIONS**

3.1 The existence of a Risk Log for the 34 NIs demonstrates the council's commitment to manage the outcomes in each of these areas. The fact that some NIs have been scored as high risk and that these NIs are being reviewed shows that the council is keen to ensure that all targets are met.

3.2 However, despite the best efforts of the council and its partners the targets set within the LAA shown as high risk may not be met. If this is the case this should not be seen as a reflection that efforts to make a difference have not been made. Much is being done to make a difference locally but in many
instances it may be that nationally set targets cannot be met with the current economic environment and without many more resources being used.

3.3 All recommendations are in the Management Action Plan (Page 7). Positive findings are shown in section 4, overleaf.

4 WAY FORWARD

4.1 The council and its partners should continue to introduce initiatives that will make a difference to the residents of Milton Keynes, regardless of final outcome as measured by the targets.

4.2 Monitoring of results should continue to be carried out by the Local Strategic Partnership Group with the aim of reacting to any conditions that adversely affect indicators beyond that which is expected.

4.3 There is an annual review process and it is noted that “local areas and central departments need to be open to discussing issues where there is new evidence that was not available during negotiations”. Although this review process will not carte blanche enable all indicators to be refreshed, where the council believes that there is “new evidence” this should be presented to the Government Office to prompt discussions that could result in reduced targets.
FINDINGS SUMMARY

5 POSITIVE FINDINGS

5.1 NI 30 - Re-offending rate of prolific and priority offenders

The police team dealing with “Prolific and Priority offenders” is being expanded and there is every confidence that this target will be met. The main issue that put this indicator into a high risk category was the uncertainty with data collection. The Partnership Inspector stated that Police National Computer (PNC) data has now been received that has resolved these issues.

No further action is required.

5.2 NI 112 - Under 18 conception rate

Data from the first half of 2007 (January – June) shows very positive information in respect to this indicator. For our comparator region (the South East) pregnancies went up from 33.2 to 33.3 to 33.4 and for England they went up from 40.7 to 41.3 to 41.7. However, Milton Keynes went down from 44.7 to 42.7 to 39.8 – an overall fall of 11% from December 2006.

A Teenage Pregnancy Strategy and Action Plan for 2008-2011 has been prepared. Milton Keynes is promoting the use of contraception, including long-acting reversible contraception (LARC) and Emergency Hormonal Contraception. ‘R U Ready?’ training has recently been introduced. This is aimed at giving professionals practical tools to help young people delay sexual activity until they are older. Furthermore, it is also aware of the need to raise attainment levels of young girls and has schemes specifically in two of the secondary schools for this. However, Primary Care Trust (PCT) monies do continue to be limited and this may particularly impact Brook which would certainly be to the detriment of the well-being of Milton Keynes teenage girls. However, the Chief Executive of the PCT is determined to ensure that the target is met.

An authority that is doing well is Slough. They are well funded and they have a project worker supporting the work of the coordinator. In an effort to copy their good practice, for this year the Milton Keynes’ Teenage Pregnancy Coordinator has received funding for a project worker. It is hoped that this will further contribute to improved conception rates. Other initiatives continue to be introduced as the council and its partners endeavour to make a difference locally.

5.3 NI 114 - Rate of permanent exclusions from school

From September 2007 the Behaviour Partnership has allocated funds for alternative provision directly to the schools themselves. Thus, instead of the funds being held by the LEA the secondary schools have to commission the alternative provision provider. It is encouraging to see that since the introduction of the new arrangements, exclusions have reduced by over 60% since the spring term as schools have seen the benefits of not excluding pupils.
The schools can use the funds flexibly and in a proactive manner when appropriate including part time attendance or dual registration with an alternative provider to prevent exclusion. This is already being shown to be a cost effective use of available funds.

With the publishing of exclusion statistics and those schools that are supporting managed moves it is very likely that more schools will get involved in the managed moves program. Although zero exclusions are not a formal commitment for secondary schools it is clearly the ambition that this can be achieved.

5.4 NI 123 - 16+ current smoking rate prevalence

The PCT has prepared a “Stop Smoking Services Strategy and Delivery Plan”. In the Delivery Plan for corporate objective 1 a risk stated that affects the ability to reduce the all age all cause mortality rate is “failure to meet 4 week smoking quitters target as fewer smokers want to quit.”

The target in the Strategy and Delivery Plan is the number of “smokers quit at 4 weeks” – the same as that required by NI 123. The key to the continued success of cessation is seen to be brief interventions. These should be performed by every healthcare professional having a clinical consultation, regardless of the reason for the consultation. If a patient expresses the desire to quit then they are referred to levels 2 or 3. The Action Plan is allowing for more training to be provided for level 1-3 advice to be given. Furthermore, training is to be given to allow nicotine replacement therapy (NRT) to be made available without delays in prescription as this will help to have a positive effect on the cessation numbers.

There is concern that the target (which is nationally set to reduce adult smoking rates to 21% or less by 2010) has a high risk of not being achieved as the passage of time results in those smokers that want to give up stopping leaving those where it is harder to encourage them to stop. Despite this the above shows that there are determined efforts being made to reduce the number of Milton Keynes residents smoking.

It is noteworthy that the definition and way of measuring this indicator will change from April 2009.

5.5 NI 155 - Number of affordable homes delivered (gross)

There is a well-established Milton Keynes Council/Milton Keynes Partnership Joint Housing Delivery Team that meets monthly. The team is well-placed to take advantage of government initiatives and new sources of funding. For example a recent Communities and Local Government (CLG) announcement included the following:

“The Government is committed to a major increase in affordable and social housing to meet demand and cut waiting lists. But with current challenging market conditions, providers are finding it more difficult to deliver their affordable housing schemes. The Government has decided to bring forward £400 million for social housing from existing budgets, delivering up to 5,500 more homes over the next 18 months. For the first time local authorities with existing stock will able to apply for this grant to build social housing, alongside registered social landlords. As well as delivering the social housing so desperately needed in many areas, this will also help to maintain capacity
within the housebuilding industry, and help prepare the ground for the recovery in the market.” (CLG press release, 2 Sept).

This indicator requires that for 2008/09 there are 595 Affordable Housing completions (for 2009/10 it is 655 and 2010/11, 805). For the first 6 months of this year 65% of the target has been achieved. Furthermore, there are almost 600 Affordable Housing properties under construction. By the end of December the council should know for certain whether this target will be met for 2008/09 or not.

5.6 **NI 187 – Tackling fuel poverty**

There was a delay in central government issuing its preferred form or questionnaire for the data collection but the councils partner organisation, United Sustainable Energy Agency, that is undertaking data collection and analysis has sent out questionnaires and hopes to have returns and initial results ready by early December. This will facilitate the setting of annual targets. A steering group of partners has met and agreed some preliminary ideas for training and information sharing. Additional Government funding announced on 12 September 2008 will provide some assistance to those private sector residents in fuel poverty. Despite inputs by the council and recent reductions in energy prices other factors such as the economic downturn and rising unemployment make the achievement of this Indicator very unpredictable.
The recommendations are categorised on the following basis:

- **Essential** - Implementation is required with immediate effect to address a weakness that fundamentally undermines the control/objective of that system.
- **Important** - Implementation is required within a short period of time to address weaknesses that seriously undermine the control/objective of that system.
- **Standard** - Management need to take recommended action within a reasonable period to address weaknesses that may undermine controls/objectives.

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<tr>
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<th>Recommendation</th>
<th>Management Comments</th>
<th>Manager Responsible &amp; Target Date</th>
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<tbody>
<tr>
<td>1</td>
<td>NI 112</td>
<td>Target not met and LAA reward not paid in full.</td>
<td>Essential</td>
<td>Following a joint commissioning review of Brook services, the (multi agency) Sexual Health Steering Group has put in a bid for more funding from the PCT for sexual health services for young people. The council and its partners should continue to explore mechanisms to continue to reduce the number of teenage pregnancy, helping to provide benefits to young people in the locality. All staff that work directly with young people should attend the ‘R U ready’ training provided by the Teenage Pregnancy Partnership.</td>
<td>The Teenage pregnancy Partnership will continue to explore best practice and work closely with our Regional Coordinator for the Health of Vulnerable Children to progress the strategy.</td>
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<td>2</td>
<td>NI 114</td>
<td>Target not met and LAA reward not paid Target in full.</td>
<td>Essential</td>
<td>To continue to monitor the exclusion rate and if the downward trend is not maintained endeavour to provide further incentive to the schools to stop exclusions.</td>
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<td>NI 123 Continuous improvement in reducing smoking numbers is difficult to maintain as smokers are more determined not to quit. It is also noted that the definition for and method of obtaining the data for this indicator is to change from April 2009.</td>
<td>Target not met and LAA reward grant not paid in full.</td>
<td>Essential The new definition for this indicator may enable the council to negotiate a target that it feels is more achievable.</td>
<td>The LSP has agreed to endeavour to renegotiate this target.</td>
<td>Project Officer/Target owner</td>
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<td>4</td>
<td>NI 155 The current housing market is seriously impacting the ability for this target to be met. Furthermore, there is very little that the council can do to influence the number of properties built as the current problems with the economy are international.</td>
<td>Target not met and LAA reward grant not paid in full.</td>
<td>Essential To enter into negotiations with GOSE to endeavour to reduce the target or even abolish it in the light of current economic conditions. The negotiations should be made on the basis of the “new evidence” available since the indicator was created and target set that the economy is in downturn. GOSE notes that NI 154 will be refreshed and due to its relationship with NI 155, NI 155 may also be amended.</td>
<td>The LSP has agreed to endeavour to renegotiate this target.</td>
<td>Project Officer/Target Owner</td>
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<td>5</td>
<td>NI187 The target has not yet been set for this. Work is currently being undertaken to issue a survey as required by the target. The nature of the councils housing stock means that any target will be very difficult to meet.</td>
<td>Target not met and LAA reward grant not paid in full.</td>
<td>Essential To continue to work with partners to ensure as many as possible are removed from fuel poverty, whether that be reflected in the NI or not. As part of the target setting negotiations to show the Government Office that the councils housing stock is not of the traditional type and that targets should be set accordingly.</td>
<td>Data collection now underway and initial results are expected in early December. This will allow some targets to be established.</td>
<td>Project Officer/Target owner</td>
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NB Any cost implications arising from implementation of the recommendations by Mouchel must be agreed in advance with the appropriate Client Officer and the Partnership Delivery Manager.