



The Rt Hon Eric Pickles MP
Secretary of State for Communities and Local Government

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Dear Colleagues,

13 OCT 2010

Changes to Local Authority Performance Arrangements

I am writing to you today to announce important changes to Local Area Agreements. Back in June we scrapped the Comprehensive Area Assessment, saving councils up to £39 million per year. I want to go further. Luton and Central Bedfordshire, for example, have told us that the annual cost to each authority of the National Indicator Set and statutory data returns is nearly half a million pounds. We are committed to relieving you of the bureaucracy that diverts money away from the frontline. So today I am announcing the end of other burdensome aspects of the old command-and-control regime, linked to Local Area Agreements and the National Indicator Set.

I am therefore giving you notice under section 109 of the Local Government and Public Involvement in Health Act 2007 that I am revoking all designations of local improvement targets in your Local Area Agreement from the date of this letter. What this means is that I am handing over full control of all current Local Agreements to you - if you wish to amend or drop any targets you are now free to do so, without needing my approval. Where you choose to keep any of your targets, we will no longer monitor your performance. I will also not be requiring you to prepare a new agreement from April 2011. In addition, I will not be making any payments for Performance Reward Grant against the 2008-11 LAA targets. Deficit reduction and ensuring economic recovery are the most pressing issues facing Britain today, and of course local government has to take its share of the cuts.

I am also announcing today the replacement of the National Indicator Set with a single, comprehensive list of all the data we expect local government to provide to central government. My aim is to make the data requirements we place on local government transparent and to review and reduce this for April 2011 and I will involve local government in this review, to help us ensure the list contains only the minimum of central government data needs. My pledge to you is that in future, if it's not on the list you won't have to provide it.

My aim is to give you the flexibility you need to protect key services, by removing ring-fences around your money, scrapping CAA and getting rid of unnecessary top-down targets and their related bureaucracy. Where central Government can help you do more to collaborate and redesign better services at reduced cost I continue to welcome suggestions.

A handwritten signature in black ink that reads "Eric Pickles".

THE RT HON ERIC PICKLES MP