

LPSA MONITORING REPORT

PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

9TH OCTOBER 2003

Wards Affected

County-wide.

Purpose

To receive a detailed analysis on the half term progress of the Council's LPSA targets.

Key Decision

This is not a Key Decision.

Recommendation

THAT regular reports be provided for consideration for Cabinet detailing progress against the LPSA targets.

Considerations

1. In line with the Performance Management Framework launched in May this year our performance against the thirteen LPSA targets will be reported on a quarterly basis to Strategic Monitoring Committee and annually to the Cabinet in April. This report seeks to analyse in greater depth performance at the half term interval in order to influence not only any decisions to be made in the short term but also the new range of targets which will need to be negotiated for the second PSA period starting in April 2005.
2. The Performance Reward Grant (PRG) is payable in two equal instalments in 2005 and 2006. The amount for each target is £272,000 adding up to a total amount available of over £3.5million. Where there are a number of individual indicators within each target the PRG is split equally. No PRG is payable for performance below 60% of the stretch.
3. Local authorities are now being consulted for the next round of LPSAs. The lessons which we are beginning to learn from the first round should inform not only which targets we negotiate but also the targets which we consider to be influential over, and less exposed to, changes in definitions and policy.

Overview of Current Performance

4. Appendix 1 gives a tabular analysis of the monitoring results. *Overall performance is mixed* and where there are problems these are generally due to:

Further Information on the subject of this report is available from
Andrew Tanner, Assistant County Treasurer on 01432 260162

- The original stretched targets being particularly difficult to achieve and
 - Changes in the definitions of individual indicators.
5. The two targets which are perhaps the most difficult to achieve purely because of the element of stretch in the initial agreement are:
- Homeless Households needing repeat housing and
 - Attainment of A to C Grades at GCSE.

Despite the considerable challenges here these are still priority targets within the respective Directorates. Some targets are also sensitive to single, major incidents, so even though we are on track now this may not be the case next year. The risk inherent in these would have been fully understood at negotiation stage.

6. A third target which could fit in this category is reducing domestic burglary which has been adversely affected not only by changing reporting standards but also by a transfer of crimes into this bracket from vehicle theft.
7. The changes in collecting methodology has affected a number of indicators and recent advice provided through the Local PSA.net is rather ambiguous:

'Where methods for collecting data had changed since the local PSA was signed, for example the introduction of National Crime Recording Standards by the Home Office, it was suggested that government should use the figures on as comparable a basis as possible with those current at the time of the negotiation. Ministers were strongly resistant to any re-negotiation. But where the agreement failed to express the intentions that both the authority and the government had at the time of the negotiations, that could be corrected.'

8. Where there have been changes in definitions impacting of future performance against the target we have asked managers to contact the relevant Government department for clarification and possible adjustment of future targets due to baseline changes. The original intentions are referred to in the above note and it is only right that these are observed.
9. A lesson learnt for the next LPSA round is that some indicators will require a far tighter definition and a detailed construction of baseline information. Where there are changes or ambiguity these need to be notified to the ODPM immediately.

Future Considerations

10. Commitment to the LPSA targets at a service level on the whole has been good and sub departmental groups have been set up to address delivery of the targets in detail. Regular reporting, on at least a monthly basis by exception, now needs to take place to CXMT as many of the targets are based on performance purely in 2004/05 and any resourcing decisions need to be made at an early stage in order to impact sufficiently on performance.
11. An additional consideration will be the use of the Performance Reward Grant although at this stage it is difficult to forecast how much we will receive. One option for its use could be to include it in the Medium Term Financial Plan and ring fence it for future performance gains either inside or outside an LPSA. Much will depend on the level of central Pump Priming Grant allowed next time round and care would also need to be taken in allocating recurring expenditure against, as it is still essentially a

one off grant.

Risk Management

Failure to meet the agreed PSA targets will directly impact on the amount of Performance Reward Grant receivable in 2005/06 and 2006/07.

Consultees

None.

Background Papers

None identified.