

PUBLIC SERVICE AGREEMENT UPDATE

PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

18TH DECEMBER 2003

Wards Affected

None.

Purpose

To note the latest performance against the Public Service Agreement (PSA) targets and receive a brief introduction to the second round of PSAs to be negotiated with the Government.

Key Decision

This is not a Key Decision.

Recommendation

THAT the contents of the report be noted.

Reasons

Members need to be regularly updated on the performance against the PSA targets in order to agree any decisions needing to be taken in service areas where performance is lower than expected.

Considerations

1. This report is split into two parts, the first updating Cabinet on performance against the current PSA and the second outlining the Government's approach to the second round of PSA due to be negotiated next year.

Part 1: Performance Update

2. Cabinet last received a performance update against the individual PSA targets in October. Annex A contains the latest update and there are few significant changes to the last report. Progress has been made on liaising with Government on clarifying baseline information on the Care of the Elderly and Crime targets and also with the problems encountered with the Housing target. It is fairly clear however that Ministers are very reluctant to change agreements and an extremely good argument needs to be constructed to achieve this.
3. One noteworthy change is the greater possibility of achieving the Key Stage 2 exam targets for high achievers target given the outcomes this Summer.

Further information on the subject of this report is available from
Andrew Tanner, Assistant County Treasurer on 0162

4. Officers responsible for delivering the PSAs have been reminded that the difference between 'success and failure' in reaching the 60% threshold for Performance Reward Grant (PRG) is substantial in financial terms. No PRG is payable if 60% of the stretched target is not reached. Where performance is on this borderline the additional investment in time or other resources is therefore very important.

Part 2: PSA - 2nd Generation

5. Local Government Minister Nick Raynsford, recently introduced the second round of PSAs known as the 2nd Generation. The key differences to the current round are;
 - A greater focus on local issues rather than the current requirement to incorporate a number of prescribed national objectives and ideally these will have a cohesive theme.
 - Better partnership arrangements with the government which will include an increased commitment to securing freedom and flexibilities.
6. The greater focus on local issues is perhaps most relevant to Herefordshire and this will require a shared view of targeted improvements for the community as a whole. An important principle to be addressed is that the priorities for improvement have to be based on hard or substantial evidence. The links to these priorities have to be convincing and robust. The Government will consult with both the Council's relationship manager for the Audit Commission and the regional concerns in this respect. It will also use the Comprehensive Performance Assessment outcomes to influence its agreement to our future proposals.
7. In regard to freedoms and flexibilities there is a term popular in Government and LGA circles called 'disciplined pluralism'. This is an increasing movement towards allowing Councils to experiment with service delivery within certain checks and balances and is central to the work of the Innovation Forum. This of course is fundamental to the idea of 'stretching' performance and the ideal PSA target will always be the one which secures performance gains through doing things differently and not necessarily through significant increased resource input.
8. The structure and reward mechanism of the PSA 2nd Generation will largely be the same. There may however be opportunity to negotiate variations to the established structure. Herefordshire, as a rural authority and one of only 4 'good' Councils in the West Midlands region could be well placed to take advantage of pathfinder status and this opportunity will be pursued.
9. After the pilot authorities Herefordshire was in the first tranche of local authorities agreeing a PSA and it is anticipated that the Council will begin negotiating the new one from next Easter onwards. The priorities for improvement will be agreed with the Government well in advance of the actual stretched target performance. All but three English upper tier authorities signed a PSA so the Government has a huge workload to complete the second round agreements hence the early start date. The new PSA for Herefordshire will roll on from the current one and commence on 1st April 2005.

Alternative Options

Not applicable.

Risk Management

Failure to reach the stretched targets will result in the loss of potentially significant Performance Reward Grant for the Council

Consultees

There are no consultees.

Background Papers

PSA Report to Cabinet on 9th October 2003.