

LOCAL PUBLIC SERVICE AGREEMENT UPDATE

PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

14TH OCTOBER 2004

Wards Affected

County-wide.

Purpose

To receive a report on the latest performance against the Local Public Service Agreement (LPSA) targets together with an update to the second round of LPSAs to be negotiated with the Government.

Key Decision

This is not a Key Decision.

Recommendation

That the contents of the report be noted.

Reasons

Cabinet needs to regularly monitor the performance against the LPSA targets not least owing to the significant performance reward grant available for its achievement. Additionally, the Council, in association with its partners, will be negotiating its second Public Service Agreement over the next five months and Cabinet now need to be further informed and consulted on the options being proposed.

Considerations

1. This report is split into two parts, the first updating Cabinet on performance against the current LPSA and the second updating the progress made to negotiating the 2nd round of LPSA due to start next year.

Current LPSA - Performance Update

2. Cabinet last received a performance update against the individual PSA targets in March. Annex A contains the latest update and shows:
 - The direction of performance.
 - An assessment of the likelihood of achieving the final targets; and
 - Narrative supporting the progress of target achievement.
3. Performance Reward Grant is shared out equally amongst the sub-targets so if the

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

Council is failing on one sub target it will not jeopardise the success of others. It has not been possible to provide the overall GCSE and Key Stage 2 attainment results owing to the remarking of certain papers. An update should, however, be provided in December. The following assessment has been made of target achievement at 31st March 2005.

Targets which have already been met or partly met are:

Increasing electoral participation.

Implementing E Government.

Targets which are highly likely to be met include:

Avoiding harm for older people.

Deaths and injuries through accidental fire.

Reducing vehicle crime and road accidents.

Increasing participation in local decision-making.

Targets which at this time are unlikely to be met include:

Domestic Burglaries.

GCSE attainment for children leaving care.

Resettlement support for homeless households.

Performance Reward Grant

4. Each target within the LPSA has a Performance Reward Grant of £270,000 available. If all the component performance targets are met within a main target, then the whole £270,000 will be awarded and paid in the form of a one-off grant in two instalments in 2005/06 and 2006/07. Performance Reward Grant will also be paid if only part of the stretched target is met but is capped at 60%. There will be no Performance Reward Grant available, therefore, if less than 60% of the stretch has been reached at 31st March 2005. The stretch is the difference between the original performance targets before the LPSA and the negotiated stretched LPSA target. A *theoretical* example of how this would work in Target 1 on Independent Living for Older People is in Appendix 2:
5. Officers are unable to accurately forecast the level of Performance Reward Grant the Council is likely to be awarded at this point in time as there are several unknowns; in particular, the educational attainment results. However, a prudent estimate would be that the Council could expect to receive at least £1,500,000 based on the assessment of current performance.
6. It needs to be emphasised that the Performance Reward Grant is a one-off grant and not, therefore, suitable for the ongoing revenue funding of services. In this respect it is intended to roll forward the Performance Reward Grant into funding the next LPSA agreement which is the subject of the second part of this report.

PSA - 2nd Generation

7. The second LPSA will, like the current agreement, last for three years and commences on 1st April 2005. Cabinet members will have received the submission outlining the Council's approach to LPSA, 2 although officers are still waiting for the detailed feedback from government departments. Previous Cabinet reports have referred to the possibility of a more radical approach to LPSA 2 based on fewer and longer term targets. However, it is now becoming increasingly unlikely that these ideas can be developed.
8. It is not envisaged that overall the theme of the LPSA 2 submission will change significantly following the feedback from government. Improving the quality of life for an ageing population incorporates many of the Herefordshire Partnership's activities. The notable exception is pre-16 education which features heavily in the current LPSA and is an area where the Council generally performs well.
9. The priority areas within the overall theme still need to be developed with the key objective to establish required outcomes which, in turn, are supported by robust performance indicators. Officers will be subjecting all proposed performance outcomes to a rigorous risk assessment. This will include the probability of achieving stretched targets given the likely level of resources to be made available, together with the changes in service delivery proposed. A brief summary of the submission is attached at Appendix 3. An officer steering group has now been set up which includes senior officers from the Council and its partners. The broad timetable for the next submission to ODPM is as follows:

22nd October	Receive feedback from ODPM on priorities and related outcomes in August submission
5th November	Council to formally respond to this feedback and agree priorities
3rd December	Council to submit draft agreement
December onwards	Council to agree stretched targets in detailed negotiations with Government departments
April 2005	Start of second LPSA

10. Further reports will be taken into Cabinet as appropriate.
11. Members are reminded that a Pump Priming Grant of over £900,000 will be paid to the Council at the onset of the new agreement. Together with the roll-forward of the Performance Reward Grant from the current LPSA, a significant level of one-off funding will be available for securing major performance gains over the next three years. In this respect the work being carried out over the next few months with the Corporate Plan and associated consultation on informing priorities cannot be seen in isolation. Funding through the LPSA is likely to become increasingly important in achieving elements of the Council's key priorities.

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

None identified.

Background Papers

None identified.