

LOCAL PUBLIC SERVICE AGREEMENT

PORTFOLIO RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

16TH MARCH, 2006

Wards Affected

County-wide

Purpose

To receive a report on the final performance against the first Local Public Service Agreement (LPSA 1).

Key Decision

This is not a Key Decision.

Recommendation

That the performance against targets within LPSA 1 as set out in Appendix 1 be noted.

Reasons

A significant level of performance reward grant PRG was available for the achievement of the LPSA 1 targets and it is important for members to be aware of the final performance against these targets.

Considerations

Background

Funding the Agreement

1. The first Local Public Service Agreement finished on 31st March, 2005. Internal Audit staff have now completed the verification of the reported performance figures and these are set out in detail in Appendix 1. These will need to be signed off by the Chief Executive and submitted to the Office of the Deputy Prime Minister in order for the performance reward grant to be paid.
2. Cabinet received an interim report on LPSA 1 performance in May 2005. This made an estimate of the reward grant earned at £1.6m. The actual PRG earned, prior to agreement by the Government, is £1.65m which is 47% of the total available of £3.54m. This grant will be paid in two equal amounts over the next two years and has been approved by Cabinet for investment in LPSA 2. This will be supplemented by the pump priming grant by the Government of £930,000.
3. An analysis has been carried out by the ODPM on national performance for LPSA 1

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

based on the first 20 pilot authorities. The overall percentage of PRG earned amongst these authorities is 63%, however there is a recognition that some targets, most noticeably in the educational attainment area have been very difficult to achieve. The level of PRG earned by Herefordshire can therefore be seen as disappointing, despite robust corporate monitoring. Lessons learnt from LPSA 1 need to be carried forward into ensuring a higher level of reward grant is secured in the second agreement. The Council and its partners will rely heavily on additional investment for performance improvement in the future and the LPSAs provide a very good opportunity for this to happen.

Performance Considerations

4. A sustained focus on those targets which were within the Council's control would have resulted in a higher level of PRG. It has been accepted in previous debates on LPSA 1 that some of the targets negotiated were going to be extremely difficult to meet: the Homelessness and Educational attainment targets being two obvious examples. Targets such as domestic burglaries were also never going to be reached due to changes in definitions on national crime performance indicators and this ultimately was a risk borne by the Council.
5. There were however a number of targets where the Council had a greater control over final performance but ultimately fell short of securing the available reward grant. Examples include nursery settings and e-government. The delay in the Community Access Point project under HIT resulted in target 13.3 being missed whilst the operational programme for the Single Assessment Process was not delivered meaning that reward grant has been lost here also. Target 11.2, relating to the percentage of nursery settings on a one to two year outcome for three consecutive years failed because of one setting.
6. The Head of Internal Audit has now completed the detailed Audit process and the formal submission for the reward grant can now be made.

Alternative Options

There are no alternative options.

Risk Management

Local Public Service Agreements represent an opportunity for the Council and its partners to secure significant future investment in priority areas. Failure to focus adequately on the performance management aspects of the agreement will have an adverse impact on the Council and its partners to sustain important service improvements in the future.

Consultees

There are no consultees.

Background Papers

None identified.