

**AGENDA MANAGEMENT SHEET**

<b>Name of Committee</b>	<b>The Cabinet</b>
<b>Date of Committee</b>	<b>8<sup>th</sup> December 2005</b>
<b>Report Title</b>	<b>Completion of the Local Public Service Agreement (LPSA2) 2006-2009 (Revised report)</b>
<b>Summary</b>	<p>This revised report has been prepared at the request of the Portfolio Holder, Councillor Stevens. The report updates Cabinet on recent work undertaken in relation to LPSA2 and is fully up to date as at 6<sup>th</sup> December 2005. The report explains that work in relation to LPSA2, whilst at an advanced stage, is not yet fully complete and that it will be necessary to defer consideration of the final agreement until the meeting of Cabinet that will take place on 2<sup>nd</sup> February 2006. This extension of time has been agreed with the Office of the Deputy Prime Minister. The recommendations, if adopted, give delegated authority to the Chief Executive to progress the proposed agreement to the final stages of negotiation, and involve the adoption by the Cabinet of the principles set out in the report in relation the Performance Reward Grant element of LPSA2.</p>
<b>For further information please contact:</b>	<p>Nick Gower Johnson County Partnerships Manager Tel: 01926 412053 <a href="mailto:nickgower-johnson@warwickshire.gov.uk">nickgower-johnson@warwickshire.gov.uk</a></p> <p>Monica Fogarty Head of Policy Tel: 01926 412514 <a href="mailto:monicafogarty@warwickshire.gov.uk">monicafogarty@warwickshire.gov.uk</a></p>
<b>Would the recommended decision be contrary to the Budget and Policy Framework? [please identify relevant plan/budget provision]</b>	No
<b>Background papers</b>	<p>Report to Cabinet dated 24<sup>th</sup> February 2005 Report to Cabinet on 17<sup>th</sup> November 2005 Previous Report prepared for this meeting</p>

**CONSULTATION ALREADY UNDERTAKEN:-**

Details to be specified

- Other Committees  .....
- Local Member(s)  .....
- Other Elected Members  .....
- Cabinet Member  Cllr Bob Stevens
- Chief Executive  Jim Graham, Chief Executive
- Legal  Jane Pollard and Julie Thomlison
- Finance  David Clarke, County Treasurer and Oliver Winters
- Other Chief Officers  William Brown – Fire & Rescue  
Marion Davis – Social Care and Health  
John Deegan – Planning Transport & Economic Strategy  
Eric Wood - County Education Officer
- District Councils  .....
- Health Authority  .....
- Police  .....
- Other Bodies/Individuals  .....

**FINAL DECISION**

**No**

**SUGGESTED NEXT STEPS:**

Details to be specified

- Further consideration by the Cabinet  On 2<sup>nd</sup> February 2006
- To Council  .....
- To Cabinet  .....
- To an O & S Committee  .....
- To an Area Committee  .....
- Further Consultation  .....

## The Cabinet – 8<sup>th</sup> December 2005

### Completion of the Local Public Service Agreement (LPSA2) 2006-2009

#### Revised Report of the County Solicitor and Assistant Chief Executive

##### Recommendations:

- 1 That the Chief Executive is given delegated authority to continue negotiations with central government and partner agencies in order to complete the final draft LPSA2 Agreement.
- 2 That a further report will be made to Cabinet on 2<sup>nd</sup> February 2006 in which the final draft LPSA2 agreement will be presented for endorsement
- 3 That Cabinet supports the principles set out in the Report relating to the use of the Performance Reward Grant accruing to the Council under LPSA2.
- 4 That Cabinet notes the strong element of partnership work involved with LPSA2 and the close linkages that exist between LPSA2, the Warwickshire Strategic Partnership and Plan and the development of the Warwickshire Local Area Agreement.

#### 1. Progress Report on LPSA2

- 1.1 This matter was last considered by Cabinet on 17<sup>th</sup> November 2005 when it was resolved:

“That Cabinet notes and endorses the progress that has been made in relation to the Local Public Service Agreement (LPSA2) and agrees that a final report should be made to its meeting to be held on 8<sup>th</sup> December 2005”.

- 1.2 Since that meeting Project Leaders and all of those concerned with LPSA2 have made substantial efforts to finalise the agreement. At the time of preparation of this report work towards this goal is continuing. This work has involved extensive negotiations with the Office of the Deputy Prime Minister (ODPM), central government departments, and both internal and external partners. We had hoped to have been in a position to present the final draft of the LPSA2 agreement to Cabinet at this meeting. However, extensive delays on the part of some central government departments have inhibited our efforts.

- 1.3 We have been concerned about this lack of real progress with some central government departments in these negotiations. Following correspondence with the Office of the Deputy Prime Minister, we have now received assurances about their commitment to progress discussions in a timely way with a view to concluding LPSA2 negotiations by the end of January 2006. We now intend to present the final draft LPSA2 to Cabinet for its endorsement on behalf of the Council on 2<sup>nd</sup> February 2006
- 1.4 Having said this, excellent progress has been made over the past few weeks. A Table setting out the current position in relation to each of the Projects is attached as Appendix A to this report. The Table includes information about the proposed targets for each project and work that is required to be done in order to finalise matters within this revised timescale. Cabinet will note that, in addition to work relating to negotiations with central government departments, we are committed to ensuring that partners engaged with the various projects are fully aware of the final state of the negotiations and have the opportunity to confirm their ongoing commitment to the achievement of the targets.
- 1.5 At the time of preparing this revised report we anticipate that we will have successfully concluded discussions (subject to confirming full partner agreement) with central government on eight Projects by the time of meeting. These are:

Project 1*	Reducing Crime
Project 2	Reducing Re-offending
Project 4	Reducing Arson
Project 6	Improving Destinations for Young People
Project 8	Promoting Healthier Lifestyles
Project 10	Improving the independence and quality of life of older people
Project 13	Improving the Recycling of Waste

- \* Counts as Two Projects due to the level of Performance Reward that would be allocated for the targets

We consider that we are likely to satisfactorily conclude negotiations on a further three Projects by the end of December. These are:

Project 3	Improving Streets for People
Project 5a	Improving Education in the Early Years
5b	Improving choice and access for pupils with disabilities/looked after children
& 7 *	Improving educational attainment through music and dance

- \* 5a, 5b and 7 may count as a single combined project

At present, we are less confident that we will be able to reach any agreement with central government on the remaining two Projects:

Project 11	Modernising Day Services
Project 12	Reducing Carbon Emissions

We will continue to use our very best endeavours to bring these Projects to a satisfactory conclusion.

- 1.6 Our view, at this stage, is that LPSA2 will be viable so long as we satisfactorily complete negotiations on a minimum of 10 Projects.

## **2 Links between LPSA2, the Warwickshire Strategic Partnership Plan and the Warwickshire Local Area Agreement**

- 2.1 There are close links between LPSA2, the development of Local Area Agreements (LAAs) and the proposals for the development of the Warwickshire Strategic Partnership. This is apparent from the ODPM Guidance on LAAs (July 2005) which makes clear:

- LPSA2 will be incorporated into the Local Area Agreement as ‘the Reward Element of the LAA’
- The LAA must set out the priorities for the County as agreed between central government, the County Council and the Local Strategic Partnership (i.e. the Warwickshire Strategic Partnership) – particularly those priorities identified in Community Strategies (i.e. the Warwickshire Strategic Partnership Plan)
- Both LPSA2 and the LAA must be based on clear, mutually supportive and robust partnership arrangements between the County Council, the District Councils, LSPs and other key partners. These partnership arrangements will be rooted in a strong and effective Warwickshire Strategic Partnership

- 2.2 Cabinet will note that many of the Projects have strong elements of partnership. Partners involved with the development and delivery of the Agreement include:

- Voluntary and Community Organisations
- District and Borough Councils
- Primary Care Trusts
- Connexions

- 2.3 This strong partnership element augurs well for the development of the Warwickshire Local Area Agreement (due for completion by April 2007).

## **3 Pump Priming and Performance Reward Grants**

- 3.1 The latest information on the amounts available to the Council under LPSA2 is:

Pump Priming Grant	£1,269,301
Performance Reward Grant	£10,760,539

These figures are based on previous year calculations and are currently being revised by ODPM. The final amounts will be marginally greater than the amounts quoted above

- 3.2 The Pump Priming Grant (PPG) will be paid to the County Council by ODPM on formal completion of the LPSA2 agreement. The Council has already agreed that this can be supplemented by a maximum allocation of £500,000 from the Virtual Bank to support the LPSA2 Programme. The amount to be drawn down from this Virtual Bank allocation (plus accrued interest) will be repaid as a first charge on moneys received from the Performance Reward Grant (PRG).
- 3.3 The figure given for the PRG is the amount that would be payable to the Council should all Projects achieve fully their agreed performance targets. In order to attract payment of a Reward, a Project has to achieve 60% or more of its performance targets and rateable arrangements apply in respect of targets being achieved between the ranges of 60%-100%.
- 3.4 The initial requests from Projects for allocations from the PPG initially considerably exceeded the amount available. Accordingly, guidelines and criteria were developed to assist them to ensure that available resources were used to their best effect.
- 3.5 During the course of these discussions it became apparent that it would be necessary to develop an overall approach to the allocation of the Performance Reward Grant. The principles developed for PRG will be used to further inform the development of our approach to the allocation of these resources. It is intended that the Performance Reward Grant (PRG) will be used to:
  - a) Repay to the County Council the amount loaned from the Virtual Bank plus accrued interest.
  - b) Reward Projects for their efforts and success – criteria will be developed that will ensure that Projects are rewarded proportionately to the extent to which they meet the stretch targets agreed with central government.
  - c) Give the opportunity for successful Projects to have some degree of sustainability into the future
  - d) Enhance future partnership work by the County Council including supporting partnership relationships and initiatives that contribute to the outcomes to be included in the Warwickshire Local Area Agreement.

#### **4 Project Sponsor Agreements and future Performance Management Arrangements**

- 4.1 In addition to the overall agreement, we have been keen to ensure that appropriate documentation exists to evidence the agreement with and responsibilities of each of the Projects

4.2 These agreements are in the process of preparation. Included within them will be:

- A Description of the Project
- A detailed specification of all Performance Indicators and Targets
- The Reporting Obligations incumbent upon each Project
- The Performance Management Arrangements
- Confirmation of all details relating to the payment of the Pump Priming Grant for each Project.
- The principles that relate to the potential allocation of the Performance Reward Grant

4.4 Project Sponsor Agreements will form the basis of future reporting and performance management arrangements. These arrangements will be supplemented by ensuring that LPSA2 Projects are included within the Council's overall performance management arrangements especially in relation to the Corporate Business Plan. Additionally, LPSA2 Projects will contribute to the overall arrangements in respect of the Warwickshire Strategic Partnership Strategic Plan.

DAVID CARTER  
Assistant Chief Executive and  
County Solicitor

Shire Hall  
Warwick  
6<sup>th</sup> December 2005

1.

## Appendix A

No	Project	Summary of Current Position as at 6.12.05	Proposed Stretch Target as at 6.12.05	Actions Required as at 6.12.05
1	Reducing Crime	Provisional agreement reached with the Home Office on 1 12 05 on five targets concerned with reductions for criminal damage, violent crime, burglary, theft of vehicles and theft from motor vehicles. This Project should count as a double target yielding £2m of Performance Reward Grant if fully achieved. Discussions yet to be concluded on the apportionment of the Performance Reward Grant across the five targets.	Reduced: <ul style="list-style-type: none"> <li>• Criminal Damage 116</li> <li>• Violent Crime 131</li> <li>• Burglary 164</li> <li>• Theft of vehicle 115</li> <li>• Theft from vehicle 102</li> </ul>	<ul style="list-style-type: none"> <li>• Agreement on level of Pump Priming Grant (PPG)</li> <li>• Agreement with the Home Office on the apportionment of Performance Reward Grant across the five targets</li> <li>• Confirmation of final agreement with partners notably Warwickshire Police</li> </ul>
2	Reducing Re-offending	Final stages of negotiation with the Home Office who are checking matters out with the Youth Justice Board	A reduction of 3% in young offenders re-offending within 12 months	<ul style="list-style-type: none"> <li>• Conclusion of negotiations with Home Office and ODPM</li> <li>• Agreement on level and allocation of PPG and PRG</li> <li>• Confirmation of final agreement with partners.</li> </ul>
3	Improving Streets for People	Negotiations have recommenced with DEFRA after a lengthy period of time when no responses were received. Unlikely to be concluded by 8 <sup>th</sup> December 2005. Originally proposed stretched targets are no longer applicable	Although not yet re-quantified, likely to relate to: Reduced numbers of road casualties killed or seriously injured; Enhanced quality of the built environment; Enhanced quality of the street environment; Reduced domestic burglaries, vehicle crimes and community disorder incidents	<ul style="list-style-type: none"> <li>• Conclusion of negotiations with DEFRA</li> <li>• Agreement on level and allocation of PPG and PRG</li> <li>• Confirmation of final agreement with partners.</li> </ul>



4	Reducing Arson	Agreement provisionally reached with ODPM on targets relating to the reduction of deliberate small fires, deliberate vehicle fires and deliberate property fires. Only outstanding issues relate to a) Ensuring that the stretch target suggested by the Home Office is reasonable and b) the apportionment of the Performance Reward Grant across the Project Targets	Reductions in the following:  Deliberate Small Fires of 29%  Deliberate Vehicle Fires of 32%  Deliberate Property Fires of 11%	<ul style="list-style-type: none"> <li>• Agreement on level and allocation of PPG and PRG</li> <li>• Apportionment of PRG across the targets</li> </ul>
5a	Improving Education in the Early Years	Positive exchanges with DfES representative and final discussions taking place on the targets and indicators. The Project will not be of a sufficient scale to enable it be an LPSA2 Project in its own right and will have to be merged with 5b and / or 7 below. Should be finalised at a meeting on 8 12 05 involving the DfES representative.	Increases of:  - 68 pupils achieving 'good' at Foundation Stage in PSE  - 97 pupils achieving 'good' at Foundation Stage in Communication, Language and Literacy	<ul style="list-style-type: none"> <li>• Final Resolution of Issues with DFES</li> <li>• Agreement on level and allocation of PPG and PRG</li> <li>• Formalising Partnership Arrangements</li> </ul>
5b	Improving choice and access to leisure and informal learning opportunities for looked after children and children and young people with disabilities	Positive exchanges with DfES representative and final discussions taking place on the targets and indicators. The Project will not be of a sufficient scale to enable it be an LPSA2 Project in its own right and will have to be merged with 5b and / or 7 below. Should be finalised at a meeting on 8 12 05 involving the DfES representative.	Increase of: 7 pupils developing confidence & independence 6 pupils achieving 1 or more GCSE's A*-G 6 pupils achieving L5 Maths @KS3 2 pupils achieving L5 English @KS3	<ul style="list-style-type: none"> <li>• Final Resolution of Issues with DFES</li> <li>• Agreement on level and allocation of PPG and PRG</li> <li>• Formalising Partnership Arrangements</li> </ul>

6	Improving Destinations for Young People	Final details of targets, indicators and other matters submitted to DfES representative who is waiting for the agreement of the Connexions Unit at DfES. Should be finalised at a meeting on 8 12 05 involving the DfES representative	Number of Year 11 School Leavers who are classified as Not in Education Employment or Training reduced by 65	<ul style="list-style-type: none"> <li>• Confirmation of agreement from DFES</li> <li>• Agreement on level and allocation of PPG and PRG</li> <li>• Formalising Partnership Arrangements</li> </ul>
7	Improving educational attainment through music and dance	Education has produced new data that has been submitted to DfES and we are waiting for confirmation of their agreement. The Project will not be of a sufficient scale to enable it be an LPSA2 Project in its own right and will have to be merged with 5b and / or 7 below. Should be finalised at a meeting on 8 12 05 involving the DfES representative	Yet to be finally quantified but stretch targets will relate to Improved: attainment at Level 4 Maths, English and Science of selected cohorts of young people in a range of schools across Warwickshire	<ul style="list-style-type: none"> <li>• Agreement on statistical schedule with DfES</li> <li>• Agreement on level and allocation of PPG and PRG</li> <li>• Formalising Partnership Arrangements</li> </ul>
8	Promoting Healthier Lifestyles	Finally and fully agreed with DH and ODPM. Only issue relates to considering whether we should seek interim payments in 2009 as the final data for the Project will not be available until 2010.	Reduced: Health inequalities by reducing deaths from circulatory diseases in the area of highest mortality – Nuneaton and Bedworth	<ul style="list-style-type: none"> <li>• Agreement on level and allocation of PPG and PRG</li> </ul>
9	Tackling Poverty	Awaiting final agreement from DWP on all aspects of the Project who are finalising their value for money calculations	In partnership with the District & Borough Councils, increased claimant income for Council Tax and Housing Tax Benefits of £6.526m In partnership with Warwick District Welfare Rights Group increased welfare benefit income of £300,000.	<ul style="list-style-type: none"> <li>• Complete negotiations with DWP</li> <li>• Agreement on statistical schedule with DWP</li> <li>• Agreement on Allocation of PPG and PRG</li> <li>• Formalising Partnership Arrangements</li> </ul>

10	Improving the independence and quality of life of older people	Final agreement reached with Department of Health on 25 <sup>th</sup> November 2005.	A further 148 users of home care service express satisfaction with the service that they receive	<ul style="list-style-type: none"> <li>• Agreement on Allocation of PPG and PRG</li> </ul>
11	Modernising Day Services	Communication sent to DoH on 20 10 05 requesting agreement to a framework for the Project prior to continuing discussions. Looks as if it may not reach a satisfactory conclusion within the timescale for LPSA2 and it seems unlikely that the Project will proceed	Not yet re-defined	<ul style="list-style-type: none"> <li>• Redefinition of the Project and gain broad agreement/support of DoH</li> <li>• Agreement on statistical schedule</li> <li>• Agreement on Allocation of PPG and PRG</li> <li>• Formalising Partnership Arrangements</li> </ul>
12	Reducing Carbon Emissions	Recent response from DEFRA after lengthy delay. Looks as if it may not reach a satisfactory conclusion within the timescale for LPSA2 and it seems unlikely that the Project will proceed.	Not yet re-defined	<ul style="list-style-type: none"> <li>• Response from DEFRA</li> <li>• Agreement on Allocation of PPG and PRG</li> <li>• Formalising Partnership Arrangements</li> </ul>
13	Improving the Recycling of Waste	Recent detailed negotiations with DEFRA have changed the basis of the Project to one that is primarily concerned with the recycling of glass, scrap metal and plastics. Discussions concluded satisfactorily on 6 12 05.	To increase:  The recycling of non bio-degradable recyclables from 17,000 tonnes to 23,000 tonnes over the period of LPSA2	<ul style="list-style-type: none"> <li>• Concluding negotiations with DEFRA</li> <li>• Agreement on Allocation of PPG and PRG</li> <li>• Formalising Partnership Arrangements</li> </ul>