

Agenda No. 6

**Warwickshire Public Service Board
25th September 2007
Local Public Service Agreement (LPSA2)**

Recommendations:

1. That the Board considers this report and makes such comments as it thinks fit
2. That the County Council ensures that the following information is available to the next meeting of the Board:
 - a) The current and predicted performance of LPSA2 Projects as at Quarter 3 and
 - b) The PRG likely to be available at the end of the LPSA2 agreement (March 2009)

1. Introduction

- 1.1 All Local Area Agreements (LAAs) now include a number of performance reward element targets. Round 1 & 2 LAAs negotiated such targets as part of their LAA and had more freedom to choose the number of stretch targets compared to the previous LPSA Agreements. As Warwickshire was a Round 3 LAA our previously negotiated LPSA2 stretch targets have been automatically incorporated into the LAA and now represent the performance reward element of our LAA.
- 1.2 The latest guidance 'The Reward Element of Local Area Agreements: Negotiation of Stretch Targets' states that reward may only be attached to the top priorities for improvement locally.
- 1.3 Whilst LAAs can be reviewed or 'refreshed' annually by agreement between the local area and the Government Office (GO), this does not apply to the reward element. Once targets and their consequent levels of performance reward grant (PRG) have been agreed, they cannot be reopened or re-negotiated.
- 1.4 It is possible that there will be a third generation of stretch targets which ministers have been considering as part of the Comprehensive Spending Review 2007 (CSR07).
- 1.5 At its meeting on 10th July 2007 the Public Service Board (PSB) made reference to LPSA2 and requested that a report be brought back to the next meeting of the Board

2. Background

- 2.1 At its meeting on 23rd February 2006 the County Council's Cabinet supported and adopted the Local Public Service Agreement 2 (LPSA2) 2006 – 2009 on behalf of the County Council.

- 2.2 The purpose of the LPSA is to further improve the services to local people that Warwickshire County Council provides. The Agreement covers the period 1st April 2006 to 31st March 2009 which includes the planned achievement of targets and 'stretching' performance on those targets.
- 2.3 Achievement of targets referred to in the LPSA2 should entitle the County Council to a Performance Reward Grant (PRG) in accordance with the terms of the agreement between central government and the Council.
- 2.4 The agreed top priorities included in the LPSA2 Agreement for improvement locally are shown in the table below together with the Project Leaders' assessment of current performance and the maximum PRG attributable to each target.

Target	Description	Project Leaders' Current Performance Assessment	Maximum Performance Reward Grant £
1	Reduce crime and the fear of crime – reduce: Violent Offences Burglary Theft of motor vehicles Theft from motor vehicles	Behind Target Behind Target Behind Target On Target	795,824 751,611 552,655 110,531
2	Reduce Youth re-offending: % of YP re-offending within 12 months Parents receiving targeted support from YOT and their satisfaction rate with the service Numbers of victims taking part in a restorative process	Behind Target On Target On Target	698,091 232,697 116,348
3	Improve road safety by reducing the number of people killed or seriously injured on Warwickshire' roads	On Target	1,163,485
4	Reduce arson: Deliberate secondary fires Deliberate primary fires Deliberate primary property fires	Behind Target On Target On Target	349,045 465,394 349,045
5	Improve educational attainment: Early Years Music & Dance : Attainment Positive Destinations	Behind Target On Target On Target	349,046 232,697 1,745,228
6	Reduce health inequalities	On Target	1,163,485
7	Tackling poverty: Council Tax & Housing Benefit Claims Warwick District Welfare Rights Project	On Target On Target	988,963 174,523
8	Improve the independence of older people	On Target	1,163,485
9	Waste minimisation	On Target	1,163,485
10	Healthy schools	Behind Target	1,279,834

- 2.5 An LPSA2 Steering Group (made up County Council Officers) has been established in order to ensure a robust approach to the performance management of LPSA2 targets. The Group is aiming to ensure that, with effect from Quarter 3, specific information is available to the County Council and the Board in relation to the following matters:
- a) A more robust assessment of the available performance information to validate or otherwise the Project Leaders' assessments of current and predicted performance
 - b) Extrapolation from performance information of the likely PRG available in respect of each target and LPSA2 overall as at 31st March 2009.

3. LPSA2 Pump Priming and Performance Reward Grant

- 3.1 To assist in achieving the targets set out in the LPSA2 Agreement, the Government made available a Pump Priming Grant of £1,275,500 to the County Council as a contribution towards expenditure of an 'invest to save' or 'invest to improve' nature.
- 3.2 The Council supplemented this by a maximum allocation of £500,000 from the 'Virtual Bank' to support the LPSA2 Programme.
- 3.3 As mentioned above, PRG is paid to the Council by government for meeting the enhanced targets ('performance target with LPSA) agreed within the LPSA.
- 3.4 If we achieve all the enhanced targets as specified in the Agreement we could receive a maximum PRG of approx. £13.962 million. The total potential grant is equivalent of the authority and its districts' net budget requirements for 2005/06.
- 3.5 The overall amount of PRG depends on how many of the LPSA targets we meet; if we only meet one of the targets, we will only receive a proportion of the total PRG available.
- 3.6 To receive the maximum PRG available for a target we must achieve 100% of the negotiated improvement in performance ('the stretch'). If we achieve less than 100%, the grant is scaled down and paid on a pro rata basis. Should a project not achieve 60% or more of its stretch performance targets then no grant is paid.
- 3.7 The Reward Grant is paid in two equal instalments:
 - The first half in the year following the end of the delivery period of March 2009; and
 - The second half the following year.

Payments are half capital and half revenue, with no restriction on how the money is used.

4. Conclusion

It is suggested that a further report is brought back to the next meeting of the Board in November 2007 that:

- Updates the Board in the light of Quarter 3 performance information
- Estimates in the light of that information the predicted level of PRG that might be available at the end of LPSA2
- Addresses such further matters as may be raised by the Board at this meeting

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14th September 2007