

HERTFORDSHIRE COUNTY COUNCIL

CABINET

MONDAY 28 OCTOBER 2002 AT 2 P.M.

Agenda Item No.

4

LOCAL PUBLIC SERVICE AGREEMENT

Report of the Chief Executive

Executive member: David Beatty

Lead Officer: Anne Fisher

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1. Purpose of report

To report on the concluding stages in settling the Authority's Local Public Services Agreement.

2. Summary

The County Council's draft Local Public Service Agreement was submitted to Government in July and has since been the subject of detailed negotiation target by target with Government departments. This led to the submission of a redrafted agreement at the end of September.

This paper sets out the key resource issues, the progress made in negotiations, and the position of the Authority in moving towards an Agreement.

3. Conclusion

Analysis of the target negotiations shows that we could soon be in a position to place an 'in principle' package before Ministers. Cabinet may wish to ask the Leader, Executive member for Resources, and Chief Executive to assess over the coming weeks whether a point is reached at which the Authority would be prepared to enter an Agreement with Government.

4. Background

In June Cabinet agreed a package of targets on which lead services should negotiate with government departments. Section 6 below shows progress.

5. Resources

The following table shows the level of additional investment required to support 13 targets in the draft submission. HCC may choose to select 12 of these targets in its final Agreement.

Performance Reward Grant of up to 2.5% of the 2002/03 net budget requirement (ie up to £21m) is available for achieving all the targets. This overall total is allocated equally among the individual targets. If less is achieved the grant is scaled down pro rata. No grant is paid if the authority achieves less than 60% of a stretch target.

In June Cabinet agreed that 40% of the reward grant be directly applied to the services delivering the targets; allocation of the remaining reward grant to be determined by the council as part of the overall budget consideration. They also agreed 'that funding for the cost to the council should be charged to the appropriate service budgets as budget proposals are developed'.

HCC LPSA Target Per draft agreement	Estimated costs over three years £'000	Estimated Pump priming requirement £'000	Estimated Capital to be funded from UCA £'000
1. GCSE A* - G	630	Not yet identified	
2. non attendance secondary	1,040	Not yet identified	
3. Pre-admission & rehabilitation	Up to 4,200	135	
4. Children in care employment outcomes	514	Not yet identified	
5. Children in care - education	Included within target 4	Not yet identified	
6. cost efficiency			
7. egovernment	* 3,900	300	
8. KSI road casualties	100	50	
9. road conditions	150	150	
10. jobs and training opportunities **	250	250	
11. direct payment for care services	900	45	
12. reduction deliberate fires	150	70	
13. key worker housing	800	120	3000
contingency		150	
TOTAL	12634	1270	3,000

notes

* this figure is based on calculation made early in the negotiation process. It is likely that the final target and related resource issues will change.

** target is being reconsidered.

In most cases the level of investment has a direct relationship to negotiated stretch. In presenting this to government we need to show that the council is itself investing in all target areas.

Current discussions on service budgets should be addressing issues of PSA growth within the context of service priorities. The outcomes from PSA represents where the council would want to get to in any event. However the delivery of stretch in some areas requires significant investment over the three years to March 2006. Given the worst case scenarios facing the Authority the signing off of the Agreement will have regard to the unfolding budget situation.

Allocation of pump priming money is subject to refinement according to the detail of the final agreement. In some areas indicators and stretch are subject to further negotiation which may impact on how the total of £1.7m might be best used. We will certainly bid to the full entitlement.

The monitoring and progress reporting on the Agreement will be integrated with existing arrangements within BVPP processes.

6. Progress in negotiations

Negotiations have come to a successful conclusion on the following targets, with only fine tuning now required:-

1. Increase the number of pupils obtaining 5 or more GCSEs at grades A* -G, including English and maths.
2. Reduce non - attendance levels in secondary schools.
4. Improve the life chances of children in care by improving the level of education, training and employment outcomes for care leavers aged 19.
5. Improve life chances of children in care by improving their level of educational attainment at GCSE A*-C.
8. To reduce the number of people killed or seriously injured on roads.
9. To apply asset management principles to maintaining the road network in a sustainable manner.
11. Increase the number of people (Adult Care Services clients) organising their own services using direct payments.

Target 6 (to ensure continuous improvement in the economy,efficiency and effectiveness of local services through overall annual improvements in cost effectiveness of 2% or more) is a mandatory national target based on a basket of indicators to measure cost efficiency. In view of national difficulties in framing an agreed model this target is on a slower track and will not hold up the settling of PSA. Work has commenced with services on selecting appropriate indicators for the Authority.

That leaves 5 targets requiring further negotiation:-

1. Provision high quality pre-admission and rehabilitation care to older people to help them live as independently as possible, by reducing preventable hospitalisation, and by ensuring year on year reduction in delays in moving people over 75 on from hospital. (*officers met with DOH on 18 October and have resolved the major issues*)
3. Increasing access to council services by means of electronic service delivery. (*Difficulties with negotiation at the Government end have resulted in this target being continuously reshaped. We are looking to reposition but cannot meet ODPM demands as currently expressed. First time resolution of transactions at CSC and customer satisfaction are local indicators which we wish to pursue as part of this target*).
8. To increase the take up of sustained job and training for disadvantaged people (to include those with mental health problems , learning difficulties, physical disabilities, and sensory disabilities) (*This has presented difficulties in negotiation with the Department for Work and Pensions, predominantly on target groups and expected number of placements. Negotiations involving our Economic and Community Development Unit, Adult Care Services, Job Centre Plus and the DWP are continuing, to seek resolution. A revised proposal has been submitted*)
12. Reduction in the number of deliberate fires.(*Negotiations between the two parties have not produced an agreement on indicators or on stretch. As proposed, this includes a) residential dwellings and b) other buildings*)
13. Improve local worker recruitment by further development of purchase and rental schemes for key worker housing. (*This target has been agreed with ODPM. The Treasury are questioning the use of Unsupported Credit Approvals for this purpose. Referred to the Minister (Nick Raynsford), together with Oxfordshire County Council's proposals along similar lines. Unsupported Credit Approval is critical to delivery.*)

7. Next steps

Officers continue to negotiate on the Authority's behalf with the aim of finding mutual agreement. We will not recommend a package which includes targets where there is significant risk of failure, or where additional resource investment is out of line with the Council's overall plans and priorities.

We are required to have 12 targets in the final Agreement, and expect to settle from within current 13. However, if negotiations do not produce the necessary 12 we will have to revisit the long list of targets presented earlier.

Signatures to the Agreement will be for a later date to be mutually agreed. As indicated above this will be linked to wider resource position.