

**LOCAL PUBLIC SERVICE AGREEMENT – PROGRESS REPORT**

Report of the Chief Executive

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**1. Purpose of report**

To inform the Committee of the Local Public Service Agreement [LPSA] regime, the County Council's draft Agreement, and the national proposals for the second round of Agreements.

To consider monitoring arrangements for the Agreement once signed.

**2. Summary**

This paper outlines the nature of Local Public Service Agreements, sets out the current position in Hertfordshire and looks ahead to future arrangements.

**3. Conclusion**

The Committee will wish to comment on monitoring arrangements at member level for LPSA 1, and may wish to offer comments on the shaping of LPSA 2.

## 4. Background

### 4.1 LPSA Regime

All County and Unitary Councils have had the opportunity to be involved in the first round of LPSAs, a regime designed to improve local public service delivery performance.

Agreements, which run for three years, are between the Council and central government. They are designed to improve performance in a range of service delivery target areas, comprising a mixture of national and locally determined targets. The Council's target areas, shown in the schedule appended to this report, were endorsed by Cabinet on 24 March 2003.

Each target has a negotiated set of negotiated indicators against which success will be measured. These templates will form the essence of the Agreement.

The final Agreement package cannot be signed (by the Council Leader, Chief Executive, and Government Ministers across a range of central departments) until details of the twelfth target have been settled. This remains under negotiation, and has been drafted in following failure to agree with the ODPM a target relating to key worker housing; and a subsequent attempt to scope a school transport plan congestion target with the Department for Transport.

In the meantime services are proceeding with other targets, the templates which have been 'signed off' at Ministerial level.

The second round of LPSA is underway in pilot form, and Hertfordshire's negotiations are currently scheduled to commence in Spring 2005. The revised regime is likely to include a requirement for strong inter agency, cross cutting themes, involving a range of local partners. It is also likely to allow for differentiated reward within the overall PRG available to the Authority.

### 4.2 Stretch and Reward

The PSA regime provides that **Performance Reward Grant** (a maximum of £21m is available to the Council) is shared equally amongst twelve agreed targets. This reward system operates equally across the twelve targets (maximum reward = £1.75m per target) For reward purposes the targets are independent

Cabinet has previously agreed a formula whereby 40% of PRG is returned to the service budget and 60% to the council's overall funds.

PRG comes into play once 60% of the agreed target 'stretch' is achieved. One fortieth of PRG is payable for each one per cent stretch above 60%. Officers negotiating on the council's behalf have pushed hard for the best deal available with this in mind, which in some instances has meant very protracted negotiations with government departments, on indicator definitions and on levels of stretch.

The degree to which the council has direct control over outcomes varies target by target. Government negotiators at the centre (ODPM) seek to balance the risk over the whole package, and, whilst significant reward grant is likely in 2006, this will vary across targets.

### **4.3 Monitoring the Agreement**

LPSA areas are indicated within the so- called 'traffic light monitor' on service performance.

Clearly the Council will seek maximum reward. It is suggested that target details and progress on them be considered by this Committee in July 2004. Thereafter it may be appropriate to use parent scrutiny committees to observe progress.

### **5. Financial Implications**

The Council through its revenue budget planning is investing significant resources into LPSA activities and will expect to see financial reward in due 2006. In addition to the PRG referred to in paragraph 4.1 above the Council will receive £1.8m pump priming grant which will be allocated in support of specific activities to support performance stretch.

### **6. Access to Services**

A number of the Council's targets specifically relate to disadvantaged people ( eg 4,5 and 9)

Measuring 'on the ground' outcomes for citizens is a key feature of the LPSA concept, and one which the council fully endorses.

**SCHEDULE 1: PERFORMANCE TARGETS**

**APPENDIX**

**Summary Table**

<b>Target no.</b>	<b>Description</b>	<b>Reference</b>
<b>1</b>	Increase the percentage of pupils obtaining 5 or more GCSEs at grades A* - G (equivalent), including English and Maths: by 2004 92% of 16 year olds should reach this standard.	National
<b>2</b>	Improve secondary school attendance levels	National
<b>3</b>	Provide high quality pre-admission and rehabilitation care to older people to help them live as independently as possible, by reducing preventable hospitalisation and ensuring year on year reduction in delays..	National
<b>4</b>	Improve the life chances of children in care by improving the level of education, training and employment outcomes for care leavers aged 19	National
<b>5</b>	Improve the life chances of children in care by improving the educational attainment of children and young people in care by increasing the proportion of children leaving care aged 16 and over with 5 GCSEs at grade A* - C.	National
<b>6</b>	Ensure continuous improvement in the economy, efficiency and effectiveness of local services through overall annual improvements in cost effectiveness of 2% or more.	National
<b>7</b>	Ensure that Hertfordshire County Council achieves 100% capability in electronic service delivery by 2005.	National
<b>8</b>	Reduce Hertfordshire's killed and seriously injured (KSI) road casualties by 43.11% by 2006, from 1994-1998 average.	National
<b>9</b>	To increase job and training opportunities for disadvantaged people.	Local ECDU
<b>10</b>	Number of people organising their own services using direct payments.	Local Adult Care Services
<b>11</b>	Reduction in number of deliberate fires.	Local Fire
<b>12</b>	Key Stage 2 maths related target - <b>under negotiation</b>	Local CSF