

LOCAL PUBLIC SERVICE AGREEMENT (LPSA)

Report of the Directors of Environment and Community Services

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1. Purpose of Report

To advise the Committee of the targets within the Council's Local Public Service Agreement, (LPSA) which falls within their remit.

2. Summary

This paper reminds Members of the purpose and nature of LPSA and explains how the target within this Committee's remit is being tackled.

3. Conclusion

3.1 The LPSA regime provides one process in supporting the council's pursuit of continuous improvement. It offers an opportunity to further improve service delivery in selected areas in return for financial reward at the end of the Agreement period. Negotiated targets are stretching, and some will be easier to achieve than others will.

3.2 Significant financial reward is potentially available in due course, though it is too early in the Agreement period to specify an expected figure. Targets selected are in areas important to the council and are aligned to service development.

- worth doing
- learning/ challenging
- stretch, business direction
- resource potential

4. Background

- 4.1 All County and Unitary Councils have had the opportunity to be involved in the first round of LPSAs.
- 4.2 Agreements are between individual Councils 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.
- 4.3 The Leader of the Council formally signed the Agreement in July 2004.
- 4.4 Each target has a set of negotiated indicators against which success will be measured.
- 4.5 The LPSA 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.
- 4.6 Cabinet has previously agreed [Minute 8 – 17 June 2002] a formula whereby 40% of PRG is returned to the service budget and 60% to the Council's overall funds.
- 4.7 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%.
- 4.8 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 and 2007, the return will vary across targets.
- 4.9 The council has received £1.8m pump priming money from Government, which is being used to support the 12 targets.
- 4.10 The full list of targets is attached as Appendix 1.

5. Resources Targets

- 5.1 Three of the twelve targets falls within this Committee's remit:

LPSA Target 6 - cost effectiveness

LPSA Target 7 - electronic delivery, access and customer satisfaction

LPSA Target 9 - increasing job and training opportunities for disadvantaged people

- 5.2 The target details are attached as Appendix 2.

TARGET 6 – cost effectiveness

As indicated at appendix 2 this target remains under negotiation due to delays in agreeing the national model for this mandatory target.

TARGET 7 – customer satisfaction

- 5.3 Fit with Service Priorities

These two related targets fit with the County Council Promise -

“Making it easier for people to get the information and advice they need from us.”

They are also central to our broader e-government strategy outlined in the annual Implementing Electronic Government (IEG) Statements that are submitted to the ODPM.

5.4 Progress

Web - these targets cover new, electronic, as well as existing “channels” and so this year we have redesigned the www.hertsdirect.org web site to make it fully accessible for people with disabilities and also easier to navigate. The site’s improved accessibility now complies with government required standards and will lead to increased satisfaction in its use by members of the public. The redesign gave us the opportunity to incorporate navigability improvements suggested by web users. There is now greater capacity to get the information you want from the site immediately without the need to speak to an officer, hence improved first time resolution.

User feedback has been very positive and we will be undertaking a survey later this year once all of the planned improvements have been implemented to quantify improvement in customer satisfaction with the site.

Telephone - it’s vital that we maintain and develop our principal telephone access channel. Our strategy for achieving the LPSA targets is based on maintaining high levels of customer satisfaction with the Customer Service Centre (CSC) and also on increasing the capability of the CSC advisers to resolve more enquiries at the first point of contact. The normally high levels of customer satisfaction with our first point of contact telephone response have remained high with successive customer satisfaction surveys showing over 90% satisfaction with the service offered.

Face to face – we agreed with the ODPM that use of libraries should represent the face to face element of these two targets and customer satisfaction with libraries is influenced significantly by ease of access to and the quality of the library environment. The annual programme of building improvements contributes to greater customer satisfaction with accessibility and a pleasant, modern environment.

Staff - the quality of the staff dealing with the public has a direct bearing on user satisfaction. There is a substantial programme of training delivered to Customer Services Centre staff. The quality of the training provided to advisers was recognised last year as the centre gained the Call Centre Association’s (CCA) quality standard – the only local authority contact centre to gain this.

New, more rigorous customer response standards have been introduced for HCC’s back-office staff to ensure the minimum of delay between the receipt of a query and its resolution. Waiting too long for someone to call you back, for example, has a negative effect on customer satisfaction.

Information - good information is vital – if the information available to both the front line and the back office is not of high quality, customer satisfaction will suffer and queries are less likely to be resolved immediately. We have a good system for managing the currency of our general information (InfoBase) and this is being reviewed to ensure we continue to provide a wide range of up-to-date information.

The work undertaken to comply with Freedom of Information (FOI) legislation will make finding information quicker and will therefore contribute to both increased satisfaction and first time resolution.

5.5 Challenges and Learning

The real challenge lies in ensuring that our present high levels of satisfaction with telephone and face to face services are maintained while also increasing satisfaction with the new web channel to the same high levels within the time-scale. Hertfordshire County Council starts from a high base position with telephone and face to face channels and so incremental improvements are more challenging for us than for an organisation experiencing lower customer satisfaction.

Negotiating the targets with ODPM was challenging as we had to convince them that resolving social care calls for adults and children at the first point of contact is not straightforward in many cases and the definition we finally agreed with the ODPM's office recognised that. This was essential as social care calls account for over one third of the calls made to the council.

TARGET 9 – job and training opportunities for disadvantaged people

5.6 Fit with service priorities

A new 'In2Work' team has been set up within the Economic and Community Development Unit in order to deliver this new target and new service for HCC. This activity complements the ACS Welfare to Work activity that supports disadvantaged groups from welfare benefits, back to work and training.

5.7 Activities and Progress

The target for this service is challenging (200 people into jobs, 100 people into 'permitted work' and 100 into voluntary work). There are a number of reasons for this

- In2Work is a new and innovative service, requiring a new team to deliver it and fully funded by Government pump priming money (see paragraph 4.9). The investment in recruiting new staff ('employment advisors') could not be made until the LPSA was signed. New staff came into post late November 2003 and began recruiting clients in January 2004, with their first successes (clients into jobs) in March 2004 i.e. one year after the LPSA clock had started to tick. This means there is one full year slippage in activity.
- There is an outstanding question over whether the target for voluntary work should also include training. While the title of this target indicates that training would be considered a relevant outcome it is not included in the measurable target, although the In2Work team believe that training is at least as useful as voluntary work in terms of securing long term employment outcomes. If it were included, the project results would be much healthier.
- Permitted work is not proving as desirable a route for clients on incapacity benefit as initially anticipated, especially for those who are also on income support where they lose £1 benefit for every £1 earned.

The attached table 'In2Work Monthly reporting' sets out the LPSA activity to date. Clients have to be in work for a full 13 weeks before they fulfil the LPSA target, which explains why there is a lapse between the numbers of people in each of the 3 categories and the achievement of LPSA targets. The team is currently achieving the client targets that were planned for the first year of the project. However, it was not envisaged that the 3year project would need to be delivered in just over a 2year period. The County Council is seeking to revisit the target details with Government, for that reason. There have been some excellent individual results for lone-parents and people on incapacity benefit engaging with our service and moving from welfare into rewarding jobs. The attached success stories (APPENDIX 3) are examples of this.

In addition to the LPSA, the In2Work team have also recently (September 2004) taken on new members of staff to deliver a new 'Intermediary Labour Market' (ILM)* service. This has been designed to compliment the LPSA and is already enhancing delivery on targets, as some of the ILM clients can also count towards the LPSA target. The ILM is a 2 year contract with Jobcentreplus, bringing £1.1 million into the county to provide 26 week employment/training placements for 110 long term unemployed people (with a focus on lone parents and people on incapacity benefit).

The Local Partnership, led by HCC, also includes Dacorum CVS and Hertfordshire Careers Services.

6. LPSA 2 – 'second generation'

- 6.1 The next round of Agreements has commenced nationally with 20 pilot authorities. The prospectus will be published once those pilots have been evaluated.
- 6.2 Essentially, the LPSA 'second generation' will require the lead authorities (county and unitary) to develop Agreements which involve a range of partners in selecting and delivering targets.
This will certainly involve district councils, the Police Authority, the NHS and the voluntary sector.
- 6.3 Existing partnerships under the umbrella of 'Herts Together' will provide a helpful platform for selecting and drawing targets which reflect those issues which are most important to our communities, and which can best be tackled in collaboration.
- 6.4 As currently timetabled the Hertfordshire agreement would commence on 1 April 2006. Priority areas, target selection, and target development will need to take place during 2005.

7. Financial implications

- 7.1 As indicated above the Council has received £ 1.8m pump priming money to support the council's efforts in achieving its LPSA targets. The council's own resources are also being used to boost this effort, though the targets themselves have been selected on the basis that they are consistent with service priorities, and therefore predominantly supported by mainstream budgets.
- 7.2 Potential financial reward for the council is set out in paragraph 4.

7.3 For the 'second generation' investment and reward will be multi- agency.

8. Access to services implications

The purpose of LPSA is to improve service delivery outcomes for our residents. Target descriptions include references to how the Council is striving to be inclusive in its approach. Many targets (e.g. employment and training for disadvantaged people, Looked after Children - life chances, independent living and packages of care, customer satisfaction/ e-government) are designed to tackle access issues.

9. Conclusions

9.1 The LPSA regime provides one process in supporting the council's pursuit of continuous improvement. It offers an opportunity to further improve service delivery in selected areas in return for financial reward at the end of the Agreement period. Negotiated targets are stretching, and some will be easier to achieve than others will.

9.2 Significant financial reward is potentially available in due course, though it is too early in the Agreement period to specify an expected figure. Targets selected are in areas important to the council and are aligned to service development.

Background material referred to by the author while compiling this report:

HCC report of Resources Scrutiny Committee 18 May 2004

Hertfordshire County Council LPSA Targets (Environment in bold)

Target No	Description	*Stretch
1	5 GCSEs at grades A*- G to include English and maths	0.5%
2	Improve secondary school attendance levels	a) Total absence 0.33% b) Unauthorised 0.01%
3	Provision of high quality pre-admission and rehabilitation care to older people to help them live independently.	a) prevent 300 more hospital admissions b) 225 more clients benefiting from rehab services c) 600 more clients get voluntary sector support d) 18 per 1000 more older people helped to live at home
4	Improve the life chances of children in care by improving the level of education, training and employment outcomes for care leavers aged 19	21% point increase in care leavers engaged in education, training and employment
5	Improve the life chances of children in care by improving the educational attainment at GCSE for 16 year olds in care	a) 13% point increase 5 or more A*-C b) 16% point increase 1 or more A*-G
6	Ensure continuous improvement in the economy, efficiency and effectiveness of local services through overall annual improvements in cost effectiveness of 2% or more. (mandatory Target)	
7	Improve electronic service delivery. Access to services and first point of contact resolution.	a) 5.5% point improvement -of all customers contacting the council who are satisfied with resolution of their enquiry b) 5% point improvement in the percentage of enquiries resolved at the first point of contact
8	Reduction in killed and seriously injured (KSI) Road casualties	67 fewer people killed or seriously injured (from 770 to 703)
9	Increased job opportunities for people on Incapacity benefits who are lone parents - Helped into work by HCC.	a) 16 hpw employment for 13 weeks or more - 200 people b) 8-16 hpw employment under permitted work rules - 100 people c) at least 8 hpw voluntary work for 13 weeks - 100 people
10	Number of people organising their own (Adult Care) services using direct payments.	175 more people (from 175 to 350)
11	Reduction in the number of deliberate fires.	a) in dwellings - by 10 (from 94 to 84)

		b) other buildings by 23 (from 230 to 207)
12	Improved performance at Key Stage 2 - English, maths and science	1 percentage point increase in Maths, English and Science at Level 4 and above.

* Expected performance without LPSA to expected performance with LPSA TARGET 6

APPENDIX 2

'Ensure continuous improvement in the economy, efficiency and effectiveness of local services through overall annual improvements in cost effectiveness of 2% or more. (National

Hertfordshire County Council will work with the ODPM to establish a basket of indicators against which the cost-effectiveness of the Council can be judged, within 3 months of the date of this agreement. The basket will be based upon guidance provided by ODPM and will be tailored to reflect the particular circumstances of the Council.

Hertfordshire County Council also agrees, in principle, that an increase in cost-effectiveness of 2 per cent per year should be regarded as the performance achievable without the PSA, an increase from a baseline of 100 to 106. The target performance with the Local PSA will be set at a level of either 107.5 or 108 over the three year period of the Local PSA.

Hertfordshire County Council and the ODPM agree that the portion of the Performance Reward Grant related to the cost-effectiveness measure, as specified in schedule 4 to this agreement, will relate to whatever measure of cost-effectiveness is incorporated in the agreement at the time the grant entitlement is determined. If there is no agreed measure of cost-effectiveness, no Performance Reward Grant will be paid in respect of cost-effectiveness

TARGET 7

APPENDIX 2

Increasing access to Council services by means of electronic service delivery

Indicators by which performance will be measured

1. Percentage of all customers contacting the Council who are satisfied with the resolution of their enquiry
2. Percentage of enquiries resolved at the first point of contact

Both indicators will measure performance across all public access channels (telephone, web, face face via libraries).

All data will be independently verifiable

Current Performance (2001/2002)

1. 74.6%
2. 72.5%

Performance at the end of the Local PSA (2005/2006)

Performance expected without the Local PSA

1. 79.2%
2. 79%

Performance target with the Local PSA

1. 84.7%
2. 84%

Enhancement in performance with the Local PSA

1. 5.5% point improvement
2. 5% point improvement

Note:

ODPM agrees that for the purposes of this target, telephone calls for individual social workers will be counted as resolved first time if those calls can be put through to the relevant social worker.

Current performance for user satisfaction has been weighted to reflect the current relative proportions of each channel in terms of the overall enquiry volume. These are expected to change over time (eg web use may increase and face to face may decrease), and so the weighting will change accordingly.

TARGET 9

APPENDIX 2

To increase the number of lone parents and disabled people supported into work by Hertfordshire County Council.

Indicators by which performance will be measured

1. Number of people on incapacity benefit and lone parents helped by Hertfordshire County Council into employment for over 16 hours a week for 13 weeks or more
2. Number of people on incapacity benefit helped into employment by Hertfordshire County Council between 8 and -16 hours a week for 13 weeks under the permitted work rules
3. Number of people on incapacity benefit helped into voluntary work by Hertfordshire County Council for at least 8 hours a week for 13 weeks

To count against this target Hertfordshire County Council will need to demonstrate that each client counted has been given help and support that is significantly more than normal Jobcentre Plus provision. This will need to be demonstrated through agreements reached between the Council and Jobcentre Plus, by client records, feedback and other sources such as independent evaluation.

To count towards the target a client may only be counted against one of the performance indicators 1-3.

Current Performance (year ending 31 March 2003)

1. 0
2. 0
3. 0

Performance at the end of the period of the Local PSA (total for the period 1 April 2003 to 31 March 2006)

Performance expected without the Local PSA

1. 0
2. 0
3. 0

Performance target with the Local PSA

1. 200
2. 100
3. 100

Enhancement in Performance

1. Additional 200 people
2. Additional 100 people
3. Additional 100 people

Special Condition

The Performance Reward Grant will be divided as follows: indicator 1: 60%; indicator 2: 25%; indicator 3: 15%

In2work success stories

APPENDIX 3

1. 'Mary' is a lone parent with a 4-year old son who joined the In2work scheme in February 2004. She required help compiling her CV and assistance with a job search, possible work experience, making job applications and interview techniques.

She was keen to get into work and was willing to look at a range of different jobs. She also needed to weigh up the pros and cons of term-time work versus childcare through the school holidays. Mary was pro-active and followed up a number of leads she found through the local newspaper and used the job search websites recommended by the In2work employment adviser.

She eventually had to choose between the offer of two interviews, one for an office-based job, and the other for a courier position. She opted for the latter because she was attracted by the flexibility of the post and is currently enjoying her new job, which she says is demanding but very rewarding.

2. Welwyn Hatfield Council is supporting In2work by providing work experience (an 'ILM' placement) for a client in the Housing Maintenance Dept. The In2work client hopes to return to work after some time out of work. He wanted to improve his job prospects by learning new skills and identifying suitable employment.

Following a meeting with the client, an In2work employment adviser and Welwyn Hatfield, arrangements were agreed, the induction set up and supervision put in place.

Over the last month, 'John' has been working for 3 days a week shadowing qualified plumbers to learn more about the trade. He has shown himself to be motivated and reliable, and has worked well with all of the plumbers he has been assigned to. 'John' feels the experience is beneficial and has helped build confidence and skills in the workplace. He hopes to undertake formal training with the view to moving into permanent employment.

This is pioneering work for Welwyn Hatfield Council, and if the pilot proves successful, could lead to further opportunities for In2work clients to improve their skills and eventually move into work.

In2Work Targets; Key Milestones - RESOURCES SCRUTINY COMMITTEE – 4 NOVEMBER 2004 - AGENDA ITEM 7

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL	60%
Target 1/ 200 in work	0	0	0	1	2	3	3	4	4	4	4	2	27	
year 2 to Dec 06	2	4	5	5	6	7	8	7	8	8	8	2	70	
year 3 to Dec 07	2	4	5	6	8	8	10	10	11	12	13	14	103	
TOTAL:													200	<i>120</i>
Target 2/ 100 IB PE	0	0	0	1	2	2	2	2	2	2	2	2	17	
year 2	2	2	2	3	3	3	4	4	4	4	4	2	37	
year 3	2	3	3	3	4	5	5	5	4	4	4	4	46	
TOTAL:													100	<i>60</i>
Target 3 / 100 vol.work	0	0	0	1	2	2	2	3	4	4	4	2	24	
year 2	2	3	3	3	4	4	4	4	5	4	4	4	44	
year 3	2	2	2	2	3	3	3	3	3	3	3	3	32	
TOTAL:													100	<i>60</i>

In2Work; Monthly Reporting - RESOURCES SCRUTINY COMMITTEE – 4 NOVEMBER 2004 - AGENDA ITEM 7

	Referrals	Accepted on In2work Programme	In work/include self employed	PSA	In permitted work	PSA	In voluntary work	PSA	In training	ILM in work	
Jan-04	3	2	0		0		0		1		
Feb-04	12	8	0		0		0		4		
Mar-04	31	12	1		0		1		2		
Apr-04	16	13	1		1		1		6		
May-04	12	11	3		0		4	1	4		
Jun-04	29	29	2	1	1		3	1	4		
Jul-04	17	16	2	1	0		0	1	3	10	DCVS
Aug-04	13	7	4	3	0		1	3	0	0	
Sep-04	25	24	4	2	0		5	3	4	2	HCC
Oct-04	8	5	3	1	2		1		2	2	HCS
Nov-04											
Dec-04											
Total	166	127	20	8	4		16		30	14	
ILM training			4				30				
GRAND TOTAL	166	127	24	8	4		46		30	14	