

**HERTFORDSHIRE COUNTY COUNCIL
TUESDAY 18 MAY 2004 AT 10.30 A.M.**

**REPORT OF THE RESOURCES SCRUTINY COMMITTEE
THURSDAY 25 MARCH 2004**

LOCAL PUBLIC SERVICE AGREEMENT – PROGRESS REPORT

The Scrutiny Committee have considered a report requested by County Councillor Ian Laidlaw-Dickson on the progress made towards the completion of the Local Public Service Agreement [LPSA].

This report sets out the LPSA regime, the main contents of the County Council's Agreement, and the national proposals for the second round of Agreements.

1. Introduction

1.1 LPSA Regime

All County and Unitary Councils have had the opportunity to be involved in the first round of LPSAs.

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.

The Council's target areas, endorsed by Cabinet on 24 March 2003 are shown in the attached Table.

Each target has a set of negotiated indicators against which success will be measured.

1.2 Measuring Success

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.

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.

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%.

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, this will vary across targets.

1.3 Monitoring the Agreement

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

Clearly the Council will seek maximum reward. Target details and progress on them will be considered by parent scrutiny committees.

1.4 LPSA 2

The second round of LPSA is underway in pilot form and Hertfordshire's negotiations are currently scheduled to commence with Government in May 2005. The revised regime is likely to include a requirement for strong inter agency, cross cutting themes, involving a range of local partners. Selection and drafting of targets will need to be completed before formal negotiations commence with government.

Arrangements for LPSA 2 will be considered by Cabinet once the regime is published and timetables are confirmed. A report, to include member roles on LPSA 2, will be considered by Resources Scrutiny Committee in November 2004.

2. Financial Implications

The Council through its revenue budget planning is investing significant resources into LPSA activities and will expect to see financial reward in 2006 and 2007. In addition to the PRG referred to in paragraph 1.2 above the Council will receive £1.8m pump priming grant which will be allocated in support of specific activities.

3. Access to Services

A number of the Council's targets specifically relate to disadvantaged people see targets 4, 5 and 9 set out in the attached Table.

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

4. Committee Views

The Cabinet have been recommended that Scrutiny Committee members should have an input to the decision as to whether the Council should take part in Local Public Service Agreement 2, and into target selection.

The Executive Member for Resources has been requested to :-

- a) seek the support of the Best Value Performance Plan Panel in considering the Council's approach to Local Public Service Agreement 2.
- b) ensure that our approach ensures that any potential benefits outweigh the costs of achieving targets.

IAN LAIDLAW – DICKSON
CHAIRMAN
County Hall
Hertford
25 March 2004

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 maths.	tbc

* expected performance without LPSA to expected performance with LPSA