

Item 4

REPORT TO CABINET

28 OCTOBER 2004

REPORT OF HEAD
OF STRATEGY
AND REGENERATION

All Portfolios

SECOND GENERATION LOCAL PUBLIC SERVICE AGREEMENT FOR COUNTY DURHAM

1 SUMMARY

- 1.1 This report sets out the agreed process for the development of the Second Generation Local Public Service Agreement (LPSA 2) for County Durham, outlines progress to date and details implications for the Council.

2 RECOMMENDATION

- 2.1 It is recommended that Cabinet...

1) Agrees to support the priorities for performance improvement set out in the draft LPSA 2 Strategy for County Durham and that these are taken into account in the Council's Corporate Plan preparation process.

3 LOCAL PUBLIC SERVICE AGREEMENTS

Background

- 3.1 LPSAs are voluntary, official agreements between Unitary or County Councils (plus their partners) and the Government that focus on achieving stretched improvement in key service areas over a three-year period.
- 3.2 LPSAs were designed to facilitate and expedite continuous improvement in service delivery envisioned in the introduction of the duty of best value in the Local Government Act 1999. 'Stretched improvement' refers to improvement in excess of the 2% year on year efficiency savings anticipated by the Act. To achieve this degree of improvement, the Government provides limited "pump-priming" money to initiate change and is willing to negotiate freedoms and flexibilities to allow innovative action. Essentially however, stretched improvement is achieved through prioritising and focusing on key services areas and targets and by working in partnership within and across Local Strategic Partnerships.
- 3.3 If the stretched targets are achieved, the Government pays the authority a Performance Reward Grant (PRG). The PRG is payable for achieving each of the targets and is not dependent on achieving stretched improvement across all the

targets. It is a one-off payment, without any restrictions on its use, although it is expected that it be used to support further service improvements.

Outcomes from the first LPSA for County Durham

- 3.4 Performance targets in the first LPSA for County Durham (2002-2005) relate largely to national PSA targets in the areas of educational attainment, transport, adoption, older people etc. It is anticipated that all stretched targets – except those related to the educational attainment of 14 year olds and of those in the looked after sector – will be achieved at the end of the agreement. As it focused principally on these upper tier services, the LPSA 1 Strategy (2002-2005) was prepared solely by Durham County Council, although Districts were involved in two areas – recycling and cost/efficiency.
- 3.5 Through the LPSA pump priming funding was made available to introduce a recycling scheme throughout the Borough last year and as a result recycling performance has increased from 6.07% in 2001/2002 to 12.00% in 2003/2004. This contributes towards a Countywide stretched target of 17% for this year. The stretched improvement target has already been achieved in cost-efficiency, providing performance does not dip this year.
- 3.6 As a result, the Council anticipates that it will receive £268,075 PRG when the LPSA 1 ends at 31 March 2005. The LPSA 2 (if approved) will commence 1 April, for a three-year period to 31 March 2008.

A Second LPSA for County Durham

- 3.7 Following the success of the first round of LPSAs, the Government is continuing its commitment to LPSAs as one element of a developing partnership between central and local government and its partners to improve public services.
- 3.8 In contrast with LPSA 1, in which the focus was on the delivery of national targets at a local level, under LPSA 2 it is a requirement that proposals to improve key service areas must, in County areas, be developed with the active engagement of District Councils, taking into account CPA findings for all authorities and linking to agreed local priorities identified in all relevant Community Strategies.
- 3.9 The County Council and its partners (including the Council) resolved in February 2004 to apply for LPSA 2. It was agreed that the County Durham Strategic Partnership (CDSP) would be the vehicle for developing and agreeing a LPSA 2 Strategy, to ensure increased emphasis on the County Durham Strategic Vision and partnership working and to allow partners to be involved in setting and achieving targets. It was also agreed that the CDSP would be involved in the allocation of pump priming funding (potentially £1.25m) and in the use of PRG if targets were successfully achieved.
- 3.10 As a result an LPSA Working Group was established in May 2004. Additionally, a smaller Engine group was convened to develop an initial LPSA Strategy. This group, led by the County Council, included Borough Council representation along with officers from District of Easington and Derwentside District Councils and PCT, Police, Fire Authority and Voluntary and Community Sector representation.

- 3.11 Once the ODPM is in receipt of the draft LPSA 2 Strategy for County Durham, negotiations will take place with Government departments between October 2004 and March 2005 to firm up proposals and targets. The agreement will be signed in March to commence from 1 April 2005.

Progress to date

- 3.12 A draft LPSA Strategy was prepared in line with the arrangements set out above and submitted to ODPM by the agreed target date of the end of September 2004. The process involved collaboration, discussion and consultation with a broad range of stakeholders and partners across the County and reference to the following data...
- ❑ County Durham Strategic Vision
 - ❑ Community Strategies produced by each of the 7 LSPs in the County
 - ❑ CPA improvement plans for the County Council and the 7 District Councils
 - ❑ Priorities for improvement identified by the County Council, 7 District Councils and other key public service providers
 - ❑ Performance in relation to Floor Targets
 - ❑ Best Value performance Indicators across the County
- 3.13 The draft Strategy identifies agreed improvement areas (themes), together with outline (quantifiable) indicators that will be measured to gauge improvement, that are firmly based around planned actions agreed by individual LSPs in their Community Strategies and the challenges set out in the County Durham Strategic Vision document. The agreed priorities for improvement are attached at Appendix 1.
- 3.14 The CDSP has proposed that an inclusive partnership approach will be taken in relation to the distribution of the pump-priming funds. An indicative amount of between £50,000 and £120,000 will be available for each priority with multi-agency groups for the four themes established to discuss how the grant is distributed.
- 3.15 Also, the CDSP has agreed a broad framework for the use of PRG, which proposes splitting the grant between the four themes in the draft Strategy plus two additional groups – building community capacity and children and young people – that have a stake in the improvement targets. Sub groups will be established for each of the themes and will consider performance, provide reports and make recommendations on the use and distribution of PRG. The criteria for allocation will include the contribution made by participating partners and the contribution towards achieving Strategic Vision Challenges/key priorities in Community Strategies.

Next steps

- 3.16 A process of negotiation with ODPM and relevant Government departments in respect of targets and stretched improvements is about to commence to reduce the 17 draft priorities to the 12 prescribed by Government and to firm up proposals for each target. Again, the Council – on behalf of the LSP – will be actively engaged in these discussions.
- 3.17 Once agreed with the Government, LPSA 2 will commence from 1 April 2005 and 2004/05 actual performance will act as the baseline position against which performance improvement will be measured.

- 3.18 Alongside the CDSP, and LSPs in the County, the County Council and District Councils must identify how they can support LPSA 2 through their Performance Management Frameworks, Corporate Planning and partnership working in order to secure performance improvements and ensure maximisation of the PRG.
- 3.19 The Council should therefore set out how it will support the achievement of the stretch targets required by LPSA 2 in its emerging Corporate Plan and Medium Term Financial Plan. Pump priming funding could be made available to resource activity to support targets where this is appropriate.

4 RESOURCE IMPLICATIONS

- 4.1 It is expected that RPG amounting to £268,075 will be available to the Council following its successful contribution to LPSA 1 - 50% to be payable in 2005/2006 and 50% in 2006/2007. This must be used 50/50 for revenue and capital purposes in both years.
- 4.2 There are no other restrictions on the use of PRG, although there is an expectation that it will be used to further improve performance in key areas. The grant will be factored into the 2005/2006 Budget Framework and Medium Term Financial Plan. Further reports will be prepared on the potential application of PRG.
- 4.3 A potential £1.25m pump priming money and £12m PRG is available under LPSA2. The Council has been closely involved in the development of the draft LPSA 2 Strategy and links to Council services have been made wherever possible to ensure the Council full participation in as many target areas as possible, maximising the potential benefit from any PRG.

5 CONSULTATIONS

- 5.1 The process of identifying the priority areas for improvement set out in the draft LPSA 2 Strategy involved collaboration, discussion and consultation with a broad range of stakeholders and partners across the County via District LSPs and reference to key strategic documents including the Community Strategies for each District. These documents themselves are based on extensive consultations with local communities and comprehensive community appraisals.

6 OTHER MATERIAL CONSIDERATIONS

- 6.1 Priorities for improvement identified in the draft LPSA 2 Strategy support corporate commitments to sustainability, equality and social inclusion, reducing crime and disorder and children and young people.
- 6.2 The project supports corporate objectives of improved value for money by facilitating improved performance and by maximising income from potential funding streams.
- 6.3 There are clear risk management issues (income, reputation etc.) in relation to the achievement of stretched performance improvement, which is over and above the anticipated level. This should be mitigated by careful planning and investment (where necessary supported by pump priming money) and robust monitoring through the Council's performance management arrangements.

7 OVERVIEW AND SCRUTINY IMPLICATIONS

7.1 There are additional implications for the Council's Overview and Scrutiny Committees.

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Wards: N/A

Key Decision Validation: N/A

Background Papers

- 1 ODPM - LPSA 2G – Building on Success – December 2003
- 2 Durham County Council Cabinet Report – LPSA 2 – September 2004
- 3 Durham County Council - Draft LPSA Strategy for County Durham – September 2004

List of Appendices

- 1 Draft LPSA 2 Strategy for County Durham - Draft areas for improvement

Examination by Statutory Officers

	Yes	Not Applicable
1. The report has been examined by the Council's Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Council's S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Theme 1 – Skills and Support for Work

1. Attainment of qualifications to support readiness for work
2. Access to Vocational Courses within the Curriculum
3. Participation in Post-16 Learning
4. Support to People to become Economically Active
5. Increasing Volunteer Activity in the County

Theme 2 – Liveability

6. Improving the Quality of the Local Environment in Selected Communities
7. Helping People to Feel Safer by Addressing Fear of Crime in Selected Areas
8. Homelessness
9. Decent Homes

Theme 3 – Accessibility

10. Improving Access to Information about Local Bus Services
11. Improving Access to Transport in Rural Areas.
12. Improving Patient Access to Health Care

Theme 4 – Well-Being

13. Health of Children and Young People – Increasing Physical Activity
14. Walking for Health
15. Health of Young People – Looked After and Care Leavers
16. Health of Older People
17. Increasing the take-up of social security and tax benefits for carers