

CABINET: 26 JULY 2005

LOCAL PUBLIC SERVICE AGREEMENT ROUND 2

REPORT OF CHIEF EXECUTIVE

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RECENT REFERENCES: None

EXECUTIVE SUMMARY:

Local Public Service Agreements (LPSAs) are negotiated between County Councils (or unitary authorities) and the Government. In return for achieving 'stretch' performance targets, these authorities are able to earn 'reward grant'. The Government encourages these authorities to involve partners in the process, to ensure that targets address the needs of the community, regardless of which organisation provides the service.

Hampshire County Council has been working in partnership with District Councils and other voluntary and public sector bodies to establish a set of targets for negotiation with the Government. The County Council is now asking partners to commit themselves formally to the process. Due to uncertainty about what would be required, the need for this report was omitted from the Forward Plan of Key Decisions and the Chairman of Principal Scrutiny Committee has been informed accordingly.

The system being proposed, which is still subject to formal confirmation at County level, is that partners can choose to give commitment at one of three levels – level 3 indicating general support to the process but without commitment to taking any specific action, level 2 agreeing to contribute to work towards one or more specific 'stretch' targets, and level 1, where the authority volunteers to lead negotiation on a particular target. Reward grant will be divided amongst authorities 'signing up' to the LPSA, with level 3 sign up attracting a share of a 5% top slice of all reward earned, and level 1 and 2 sign ups also receiving a more significant share of any reward earned in the target areas they are directly involved in.

The City Council has been represented in the process to date by the Head of Performance & Management. The range of improvements being sought through the process is in line with issues raised in the Community Strategy for the District. Given the resource constraints facing the authority, it has only sought to become involved in detailed discussions on target areas where these are in line with agreed strategic priorities and should enhance programmes of work to which the authority is already committed. It has not sought to provide a lead for any of the targets.

RECOMMENDATIONS:

- 1 That Cabinet indicates its support for the approach being proposed by the County Council regarding levels of sign up, pump priming funding and allocation of reward grant.
- 2 That Cabinet agrees to 'sign up' to the process at level 3 overall and level 2 for targets relating to community safety (targets 5, 6, 7, 8, 9), the green agenda (targets 17, 18), social inclusion (target 16), economic prosperity (target 3) and cultural & leisure opportunities (target 11).
- 3 That the Chief Executive be given delegated powers to vary the level of sign up, in discussion with the Leader and relevant Portfolio Holder, should this be in the best interest of the authority as negotiations proceed.

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### LOCAL PUBLIC SERVICE AGREEMENT ROUND 2

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##### 1. Introduction

1.1 This report provides information on Local Public Services Agreements (LPSAs); the process adopted in Hampshire; and the opportunity now open to the City Council to become involved in wider partnership working towards targets that will support delivery of our strategic priorities while potentially benefiting from an element of reward grant in return. It seeks Cabinet agreement to the level of 'sign up' that the Council should enter in to.

##### 2. Local Public Service Agreements (LPSAs)

2.1 Local Public Service Agreements (LPSAs) are one of a number of Government initiatives to encourage continuous improvement in services provided by local authorities.

2.2 They are negotiated between County Councils (or unitary authorities) and the Government. In return for achieving 'stretch' performance targets, these authorities attract additional grant for 'pump priming' projects and are able to earn 'reward grant'. As part of the negotiation, the Government looks for authorities to define the improvement that they would normally expect to make and then look at delivering a greater improvement – the stretch target. To earn any reward grant, authorities have to achieve a good proportion of the negotiated 'stretch'.

2.3 The first round of LPSA was closely linked to national targets and indicators and the City Council was not involved in the Hampshire agreement. The second generation (LPSA2), which is the subject of this report, is more closely linked to local circumstances and priorities, must be partnership based, and must have outcome focused targets. The Government will also look to ensure that the number of people benefiting from negotiated service improvements is great enough to justify the reward grant.

2.4 Recently the Government has also been piloting a separate, but linked initiative for developing Local Area Agreements (LAAs). These are broader agreements, whereby regional and local agencies sign up to common goals across four broad 'service blocks'. Rather than attract new money in the form of reward grant, LAAs will draw together existing funding streams and give greater autonomy to the LAA to determine how these are directed. Where an LAA is in place, the LPSA will sit within it.

##### 3. The LPSA2 Process in Hampshire

3.1 Hampshire County Council has been leading an officer partnership formed with District Councils and other voluntary and public sector organisations to develop the LPSA 2. Work commenced early in 2004, with the aim being to have an Agreement in place for delivery from April 2005. For a number of reasons this original target has not been achieved, but a set of improvements and targets has been agreed as the basis for negotiation with the Government.

3.2 The ODPM is currently trying to negotiate LPSA2 agreements with a number of authorities and has indicated that detailed negotiations on the proposed targets for Hampshire will not commence before September. The County Council would like to be in a position where lead officers are able to negotiate promptly at that time and has asked all partners to commit formally to the process in preparation for this. Discussion about the commencement date for the LPSA2 will form part of the detailed negotiation with the Government.

3.3 Hampshire County Council was also recently accepted as a pilot for developing a Local Area Agreement. It is not yet clear when and how these two processes may become linked.

### 3.4 **Proposed Improvements and Targets**

3.4.1 The LPSA partnership has identified a number of areas for improvement, based on issues identified in the Hampshire Community Strategy. Targets for improvement and indicators to measure the improvement have also been identified. A copy of the current set of improvements, targets and indicators is attached as Appendix 1. The LPSA usually runs over three years, although as part of round 2 it is possible to negotiate up to a five year delivery period.

3.4.2 Sub groups of the LPSA partnership have been working up details of the targets and proposed stretch targets for each of these improvement areas. This work will form the basis of the negotiations with Government departments. Experience from the first round of LSPAs demonstrates that changes may need to be made to targets, indicators and degrees of 'stretch' as part of the negotiation with Government. The timescales available mean that lead officers will not always have time to discuss these changes in detail with other authorities. It also needs to be recognised that some targets may not survive the negotiation process, if it is not possible for agreement to be reached.

### 3.5 **Pump Priming**

3.5.1 When the LPSA is formally signed with Government, the County will receive pump priming funds. For Hampshire, pump priming funding will be just over £2million. This funding can be used to support work to achieve the stretch targets but cannot be used to deliver them directly.

3.5.2 It is being proposed to the County Council that part of this pump priming money should be spent on market research to form the baseline for a number of targets, with a repeat survey being carried out towards the end of the three years to assess whether stretch targets have been achieved.

3.5.3 It is also being proposed to hold back some 10% of the pump priming money as a contingency.

3.5.4 Each of the target leads has assessed their need for pump priming, with the remaining funds being recommended for distribution between the target areas according to an assessment of need.

### 3.6 **Sign Up to Targets**

3.6.1 The LPSA partnership is proposing that potential partner organisations should have the opportunity to 'sign up' to the process at three different levels, which will attract different levels of reward grant, as explained in paragraph 3.7 below.

3.6.2 **Level 3:** Level 3 indicates a general sign up to the LPSA as a whole but implies no specific requirement to take action to deliver any particular target.

3.6.3 **Level 2:** Partners can sign up to individual targets at level 2, indicating that they will actively work towards achievement of the stretch target.

3.6.4 **Level 1:** Level 1 partners volunteer to lead negotiations in a particular target area.

### 3.7 **Reward Grant**

3.7.1 Reward grant of up to £29million across Hampshire could be achieved if 100% of the negotiated stretch is delivered for all targets. The amount actually received will depend on the success of delivering the stretch targets. If a good proportion of the stretch is not achieved in a particular target area, no reward grant will be payable for that area.

3.7.2 Hampshire County Council is being recommended to distribute reward grant on the following basis, unless a separate agreement is reached between organisations contributing directly to a target area.

3.7.3 It is being proposed that 5% of any reward grant earned would be top sliced and shared equally between all organisations signing up at level 3. The remaining 95% will then be divided up on a target by target basis.

3.7.4 Organisations who have provided the level 1 lead for a target will receive 10% of the reward earned for that target area.

3.7.5 The remainder of any reward grant earned for a target area will be divided equally between organisations that have signed up at level 1 or level 2 for that target area.

## 4. Relevance to the Corporate Strategy and Proposed Level of Sign Up

4.1 Being involved with the LPSA2 partnership accords with the Council's aim to be an organisation that delivers in partnership and constantly improves by learning from others and seeking creative and innovative ways of working. It is therefore recommended that the Council signs up to the whole of the LPSA at level 3.

4.2 In addition, there are a number of targets proposed in the LPSA2 that will help the Council deliver its agreed corporate aims and the aims shared with its partners through the Community Strategy and Community Safety Strategy. In particular it will help deliver targets relating to community safety (targets 5, 6, 7, 8 and 9), the green agenda (targets 17 and 18), social inclusion (target 16), economic prosperity (target 3) and cultural & leisure opportunities (target 11). It is proposed that the Council sign up at a level two in these target areas as indicated in Appendix 1.

4.3 It needs to be recognised that the precise level of stretch target to be achieved will depend on the negotiation process. Although it is believed that the Council can currently support these targets, the level of commitment has yet to be established in all cases and more demanding targets may be sought by the Government during the negotiation process. Cabinet is asked to authorise the Chief Executive, in consultation with the Leader and relevant Portfolio Holder, to vary the level of sign up in these target areas, should it become apparent during negotiations that the Council would be unable to support the stretch being required.

## 5. Resources

- 5.1 Signing up to the LPSA at level 3 does not involve any commitment of resources beyond time taken by the Head of Performance & Management to continue to represent the City Council at partnership meetings as and when required.
- 5.2 The areas proposed for level 2 sign up are ones which the Council has already identified as priorities for local communities within the District, either through its own Corporate Strategy or the Community Strategy, and where resources are already committed through business plans. At present, it is anticipated that involvement in the LPSA2 will not require new resources from the City Council but will allow the Council's desired outcomes to be delivered through this partnership approach. Some additional time may be required from officers to be involved in the various project groups, but it is hoped that this will be offset by the increased impact that can be achieved by working more closely with other organisations and drawing some of their resources to support the Council's objectives. Some projects do require additional work, particular to ensure that there is sound measurement of the base line and achievements. In general, project groups have bid for pump priming money to meet these costs, rather than look for them to be provided from the partner organisations.
- 5.3 The precise level of resources required to support delivery of stretch targets has yet to be established. The aim of the partnership will be to encourage better delivery at minimal extra cost through effective use of partnership working and development of more innovative approaches to service delivery. Authority is sought for the Chief Executive, in consultation with the Leader and relevant Portfolio Holder, to change the level of sign up should it become apparent that the level of stretch required in a particular target area could not be supported by the City Council.
- 5.4 By being involved in the LPSA2, the Council should benefit from a proportion of any reward grant achieved. At this stage it is not possible to estimate what this may be and this should be looked on as a bonus if it is achieved. Reward grant is not paid until the end of the three years and depends on the level of attainment against the 'stretch' targets.

### Background Documents

Papers held in the LPSA file in the Chief Executive's Department

### Appendices

Appendix 1 – Proposed LPSA Improvements and Targets.

LPSA2 revised at 22/6/05Main Priority: Tackling barriers to recruitment

<b>Priority for improvement (Outcome)</b>	<b>Target(s)</b>	<b>Indicator(s)</b>	<b>Propose Level of Sign Up</b>
1. Increased work opportunities and employment through raising skill levels and educational attainment	1. Raising skills levels amongst the relatively under skilled	i. School leavers literacy and numeracy levels ii. adult NVQ level 2	Level 3
	2. Raising pupil attainment and staying on rates into post 16 education/training and reducing exclusions and levels of absence in targeted schools	i. 5+ A*-C/A*-G GCSE ii. CLA with above iii. Staying on rates for 16/17 year olds iv. CLA in education training or employment at age 19 v. excluded pupils and attendance at targeted schools	Level 3
2. Increased economic activity in predominantly rural areas and with groups currently under represented in the labour market in urban areas	3. Increased number of SMEs (small and medium sized enterprises) starting up and surviving in predominantly rural areas	i. Start ups ii. Survival rates	<b>Level 2</b>
	4. Increased number of SMEs started by women in urban areas	i. Start ups by women ii. Survival rates of start ups by women	Level 3

Main Priority: Helping people feel safe

<b>Priority for improvement (Outcome)</b>	<b>Target(s)</b>	<b>Indicator(s)</b>	<b>Propose Level of Sign Up</b>
3. Reducing violent crime	5. reducing incidences of violence in public places	i. Crime stats (Police) ii. Sales of alcohol to under 18s	<b>Level 2</b>
	6. reducing re-offending rates of young offenders	i. Re-offending rates (YOT)	<b>Level 2</b>
4. Reducing fear of crime and helping people feel safer	7. reduce deliberate fires	i. Deliberate fires (HFRS)	<b>Level 2</b>
	8. more residents feel safe	i. MORI survey ii. Satisfaction with ACSOs	<b>Level 2</b>
	9. fewer school children victims of crime	i. School survey (LEA and schools)	<b>Level 2</b>
5. Safer roads and journeys	10. reduced number of killed and seriously injured on Hampshire's roads	i. No's killed and seriously injured	Level 3

Main Priority: Healthy Communities

<b>Priority for improvement (Outcome)</b>	<b>Target(s)</b>	<b>Indicator(s)</b>	<b>Propose Level of Sign Up</b>
6. Improved health and life expectancy	11. Increased no of adults adopting healthier lifestyle	i. 30 minutes moderate activity 5 times a week	<b>Level 2</b>
	12. Improved health of children under 11 by reducing overweight and obesity (target to be achieved over 5 years)	i. Children classified as overweight or obese	Level 3
	13. Lives saved by faster emergency response times	i. Category A emergency calls response time	Level 3
7. Improved quality of life and independence for vulnerable older people	14. Reduce emergency bed days of older people	i. Unplanned admissions ii. Average length of stay	Level 3
8. Increased participation in community activities	15. Increased number and extent of people participating in local voluntary and community activities	i. No of people by type of activity ii. Frequency of participation iii. Extent of participation	Level 3
9. Improved housing for vulnerable people	16. More people with social care needs able to access appropriate and affordable housing	i. No of people assessed as having social care needs who sign license or lease for homes allocated as affordable	<b>Level 2</b>



Main Priority: Creating an environment to be proud of

<b>Priority for improvement (Outcome)</b>	<b>Target(s)</b>	<b>Indicator(s)</b>	<b>Propose Level of Sign Up</b>
10. Cleaner public places	17. Improved cleanliness of land and highways and condition of streets and pavement	i. BV199 ii. BV187	<b>Level 2</b>
11. Greater commitment to sustainable use of natural resources in the commercial and public sectors	18. Increased tonnage of waste diverted from landfill through greater participation in recycling by local private and public sector organisations	i. No tonnes commercial waste recycled per annum ii. No local authorities offering recycling facilities to SMEs iii. No schools and public sector sites involved in recycling	<b>Level 2</b>

Main Cross cutting priority

<b>Priority for improvement (Outcome)</b>	<b>Target(s)</b>	<b>Indicator(s)</b>	<b>Propose Level of Sign Up</b>
12. Improved transport	19. Increased average growth in bus patronage on Quality Bus Partnership routes	ii. Average growth in patronage on QBP routes	Level 3