



**PORTFOLIO AREA: POLICY & PERFORMANCE**

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Date of Meeting: 28th October 2002

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Public

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Key Decision: No

Recorded in Forward Plan: No

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Inside Policy Framework

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**Title:** LOCAL PUBLIC SERVICE AGREEMENTS  
**Report of:** Town Clerk & Chief Executive  
**Report reference:** TC. 213/02

**Summary:**

The report outlines the background and purpose of Public Service Agreements, with which the County Council are seeking to engage all Cumbrian Districts. This government initiative is viewed as an important mechanism in achieving rapid improvements to public services and the willingness of authorities to participate will no doubt be taken into account during comprehensive performance assessment.

**Recommendations:**

1. That officers in consultation with the appropriate portfolio holder be authorised to enter into discussions with the County Council on areas for joint agreement on targets.
2. That the Leader and appropriate Portfolio Holder be authorised to agree targets with the County Council provided that there are no significant budgetary implications for the City Council.

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**Note:** in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

## Introduction

1. Local Public Service Agreements (PSAs) are part of the Government's challenge to local authorities to work better with other agencies to address well-being issues.
2. The Government is committed to having a Local PSA in place with the vast majority of upper-tier authorities in England by mid-2003. The only opportunity for District Councils to participate in Local PSAs currently is through partnership with the County Council. Discussions about the format of the second round of Local PSAs are on-going.
3. Cumbria County Council has confirmed that it will pursue a Local PSA and is due to negotiate the agreement with Government between late January and late March 2003.

## Background on Local PSAs

The key features of a Local PSA are –

- A 3-year agreement (2003-2006) consisting of 12 stretching targets covering a range of local public services
- Targets must focus clearly on improving outcomes "on the ground" – it is not about inputs and outputs, processes or delivery mechanisms, but providing the services that local people need and want
- "Stretching" means achieving more than existing targets set out in Best Value Performance Plans or other strategic documents – this can be in terms of quality, quantity and/or timescale
- The majority of targets must relate to national priorities (education, social services, crime, transport and cost-effectiveness are mandatory) – but there is an opportunity to include up to 5 local targets
- Partnership working is considered essential to achieving improvements in outcomes

**The incentives for taking part in this initiative are –**

- Pump-priming grant (PPG) of £750,000 plus £1 per head of population – *i.e.* around £1.25 million
- Additional flexibilities and freedoms to help improve performance, where administrative or statutory barriers are identified
- Scope for extra borrowing through Unsupported Credit Approvals (UCAs)

4. If we achieve the stretching targets, the Government will offer a performance reward grant (PRG). This is equivalent to 2.5% of the net budget requirement of the authority in the year of signing the agreement. Based on Cumbria County Council's budget, we estimate this would be around £10 million. The reward grant is split equally between the 12 targets, and is only payable if at least 60% of the target is achieved.
5. Additional funding may be available if the District Councils are actively involved in the Local PSA. The magnitude of this additional funding is:
  - Pump-priming grant (PPG) of £50,000 if all of the districts participate – increasing the total PPG to £1.3 million
  - Performance reward grant (PRG) of 2.5% of the net budget requirement of any District Councils involved – increasing the total PRG to approximately £11.4 million. In order to be eligible for this additional PRG, the involvement of the Districts must be "substantial" – this is taken to mean leading on 2 targets or being a key partner on 3-4 targets.
6. The PPG and PRG can be shared with partners, and the County Council would establish a formal agreement with partners outlining the arrangements for this before the agreement with Government was signed.

More information on Local PSAs can be found on the following websites –

- "New Challenges" (2001 prospectus) – [www.local-regions.odpm.gov.uk/lpsa/challenge/pdf/propect.pdf](http://www.local-regions.odpm.gov.uk/lpsa/challenge/pdf/propect.pdf) (please note that an updated prospectus is due to be issued in early October 2002, following the review of targets in the Comprehensive Spending Review 2002)
- Delivering Improvement – [www.lga.gov.uk/Documents/Publications/psaupdate.pdf](http://www.lga.gov.uk/Documents/Publications/psaupdate.pdf).

## **Involving partners**

7. The Government expects to see evidence of working with other bodies to improve each of the outcomes, or convincing reasons for its absence. Because of the way the scheme is run, the County Council has to lead the Local PSA for Cumbria. However, it recognises that it will not be able to achieve improvements unless it works in partnership with the District Councils and other agencies such as the Police, health agencies, Crime & Disorder Reduction Partnerships. The final list of partners may be quite extensive and will depend on the targets that are included in the agreement.
8. At their last meeting on 20 September 2002, the Cumbria Chief Executives Group agreed to support in principle the development of a Local PSA for Cumbria and expressed a willingness to actively engage in the process of joint target setting, where responsibility for outcomes is shared between District and County.

## Key areas for District involvement

9. There are many examples of areas where organisations other than the County Council have a key role to play in delivering services. Target areas that have been identified as offering potential for collaboration include:
  - Crime reduction
  - Waste recycling – or more generally, waste management
  - Employment
  - Regeneration
10. However, the County Council is open to suggestions from the Districts on other areas where there may be opportunities for joint working to improve outcomes for a “long list” of potential targets.
11. Advice from ODPM indicates that District Councils are expected to collaborate on the mandatory cost-effectiveness target. This aims to secure annual improvements of 2% or more in the overall cost-effectiveness of the authority. The purpose of collaborating on this target is to try and reduce “frictional spending” between the County and District Councils i.e. to ensure that resources from all agencies are being used effectively together and that policies or service delivery activities do not undermine each other.

## Advantages and disadvantages for Districts

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>▪ Extra resources to address existing priorities</li> <li>▪ Financial rewards if targets are achieved</li> <li>▪ Better partnership working</li> <li>▪ Only opportunity to participate and in Local PSAs is through collaboration with County at present</li> <li>▪ Opportunity to experience and learn this type of agreement working with Government</li> <li>▪ No penalties if we don't achieve</li> </ul>	<ul style="list-style-type: none"> <li>▪ Short timescale for development of agreement</li> <li>▪ Significant work required to develop targets and action plans</li> <li>▪ Need to supplement PPG with additional resources</li> <li>▪ Need to stretch beyond existing targets</li> </ul>

## Timetable

12. The external timetable for the Local PSA has been determined by the Office of the Deputy Prime Minister (ODPM) and the Local Government Association (LGA). The LGA have recently confirmed that Cumbria County Council will negotiate its Local PSA with Government as part of Batch 9. This batch is due to negotiate its agreements between 27 January and 21 March 2003. A draft agreement will need to be submitted to ODPM a few days in advance of the start of this period.

13. Obviously, a substantial amount of work needs to be completed before the start of the negotiation period in order to develop and agree potential targets, consider the resource implications and ensure there is a robust performance management framework in place. The broad process that we have identified as necessary in order to meet this deadline is outlined in Appendix 1.

### Outline Timeline

#### 2002

June-September

*Identify potential target areas and partners*

October

Revised guidance and national targets expected from ODPM

October-November

Develop targets in detail – including background and rationale, plans for improving performance, resource implications, and performance management and monitoring  
Prepare draft agreement and supporting documents, including detailed agreements with partners  
Carry out risk assessment on agreement

9 December – *tbc*

Submit tentative targets to Local Government Association

#### 2003

January

Introductory meeting with Government

January-February

Finalise action plans for improving performance

27 January-21 March

Negotiate agreement with Government

April

Sign agreement

14. The timetable for developing a Local PSA in Cumbria is challenging but achievable. It has been made more difficult by the on-going delays in receiving formal guidance from Government on the overall shape of the agreement and specific detail on targets.

## Potential targets

15. The national targets will reflect those in the National PSA for Local Government, which was published following the Comprehensive Spending Review in July 2002 (attached at Appendix 2). Revised guidance, including more detail about the national targets, is expected from ODPM in early October 2002.
16. The County Council has yet to confirm its long list of targets (to be agreed by Cabinet at its meeting on 29<sup>th</sup> October). A draft long list of potential targets is attached as Appendix 3 but it needs to be stressed that this represents only initial thinking from directorates and discussions with partners.

## Recommendations

1. That officers in consultation with the appropriate portfolio holder be authorised to enter into discussions with the County Council on areas for joint agreement on targets.
2. That the Leader and appropriate Portfolio Holder be authorised to agree targets with the County Council provided that there are no significant budgetary implications for the City Council.

## Appendices

- National PSA for local government
- "Long list" of targets so far – with Lead Officers

## **SPENDING REVIEW 2002**

### **National PSA for Local Government**

[www.hm-treasury.gov.uk/Spending\\_Review/spend\\_sr02/psa/spend\\_sr02psala.cfm](http://www.hm-treasury.gov.uk/Spending_Review/spend_sr02/psa/spend_sr02psala.cfm)

The Public Service Agreement for Local Government seeks to ensure that central government, local councils and other organisations work together as effectively as possible to secure tangible improvements in the services that matter most to local communities.

The PSA draws together targets from the PSAs of government departments where councils and their partners have a contribution to make in delivering the outcomes. It reflects the existence for the first time of a joint statement of shared public service delivery priorities agreed between government and the LGA. The agreement therefore has fewer targets and is more focused, reflecting a shared understanding of the things that matter most to local communities.

The shared priorities that inform this PSA were jointly developed by the LGA and the Government. The LGA has also been consulted on the areas covered by the targets in this PSA. However, the target levels themselves are those agreed by Ministers as part of the Spending Review process.

## **PERFORMANCE TARGETS**

### **Education**

1. Raise standards in English and maths so that:
  - by 2004 85% of 11 year olds achieve level 4 or above and 35% achieve level 5 or above with this level of performance sustained to 2006; and
  - by 2006, the number of schools in which fewer than 65% of pupils achieve level 4 or above is significantly reduced.
2. Raise standards in English, maths, ICT and science in secondary education so that:
  - by 2004 75% of 14 year olds achieve level 5 or above in English, maths and ICT (70% in science) nationally, and by 2007 85% (80% in science);
  - by 2007, the number of schools where fewer than 60% of 14 year olds achieve level 5 or above is significantly reduced; and
  - by 2007, 90% of pupils reach level 4 in English and maths by age 12.
3. By 2004 reduce school truancies by 10% compared to 2002, sustain the new lower level, and improve overall attendance levels thereafter.
4. Raise standards in schools or colleges so that:
  - between 2002 and 2006 the proportion of those aged 16 who get qualifications equivalent to 5 GCSEs at grades A\* to C rises by 2 percentage points each year

on average, and in all schools at least 20% of pupils achieve this standard by 2004, rising to 25% by 2006; and

- the proportion of 19 year olds who achieve this standard rises by 3 percentage points between 2002 and 2004, with a further increase of 3 percentage points by 2006.

### **Health & Social Services**

5. Improve the quality of life and independence of older people so that they can live at home wherever possible, by increasing by March 2006 the number of those supported intensively to live at home to 30% of the total being supported by social services at home or in residential care.
6. Improve life chances for children, including by:
  - improving the level of education, training and employment outcomes for care leavers aged 19, so that levels for this group are at least 75% of those achieved by all young people in the same area, and at least 15% of children in care attain five good GCSEs by 2004. (The Government will review this target in the light of a Social Exclusion Unit study on improving the educational attainment of children in care.);
  - narrowing the gap between the proportions of children in care and their peers who are cautioned or convicted; and
  - reducing the under-18 conception rate by 50% by 2010.
7. Increase the participation of problem drug users in drug treatment programmes by 55% by 2004 and by 100% by 2008, and increase year on year the proportion of users successfully sustaining or completing treatment programmes.
8. By 2010 reduce inequalities in health outcomes by 10% as measured by infant mortality and life expectancy at birth.

### **Transport**

9. Secure improvements to the accessibility, punctuality and reliability of local public transport (bus and light rail), with an increase in use of more than 12% by 2010 compared with 2000 levels.

### **Council-wide**

10. Improve delivery and value for money of local services by:
  - introducing comprehensive performance assessments and action plans, and securing a progressive improvement in authorities' scores;
  - overall annual improvements in cost effectiveness of 2% or more; and



- assisting local government to achieve 100% capability in electronic delivery of priority services by 2005, in ways that customers will use.

### **Housing & Planning**

11. All local planning authorities to complete local development frameworks by 2006 and to perform at or above best value targets for development control by 2006, with interim milestones to be agreed in the Service Delivery Agreement. The Department to deal with called in cases and recovered appeals in accordance with statutory targets.
12. By 2010, bring all social housing into decent condition with most of this improvement taking place in deprived areas, and increase the proportion of private housing in decent condition occupied by vulnerable groups.

### **Crime**

13. Reduce crime and the fear of crime; improve performance overall, including by reducing the gap between the highest crime Crime and Disorder Reduction Partnership areas and the best comparable areas; and reduce:
  - vehicle crime by 30% from 1998-99 to 2004;
  - domestic burglary by 25% from 1998-99 to 2005;
  - robbery in the ten Street Crime Initiative areas by 14% from 1999-2000 to 2005;
  - maintain that level.

### **Employment**

14. Over the three years to Spring 2006, increase the employment rates of disadvantaged areas and groups, taking account of the economic cycle lone parents, ethnic minorities, people aged 50 and over, those with the lowest qualifications, and the 30 local authority districts with the poorest initial labour market position, and significantly reduce the difference between their employment rates and the overall rate.
15. In the three years to 2006, increase the employment rate of people with disabilities taking account of the economic cycle, and significantly reduce the difference between their employment rate and the overall rate. Work to improve the rights of disabled people and to remove barriers to their participation in society.

## A LOCAL PUBLIC SERVICE AGREEMENT (PSA) FOR CUMBRIA

### Long list of potential targets Suggestions as at 7 October 2002

#### National targets

##### ***Transport (mandatory)***

- Secure improvements to the accessibility, punctuality and reliability of local public transport (bus and light rail), with an increase in use of more than 12% by 2010 compared with 2000 levels

##### ***Social Services (mandatory)***

- Improve life chances for children by improving the level of education, training and employment outcomes for care leavers aged 19, so that levels for this group are at least 75% of those achieved by all young people in the same area, and at least 15% of children in care attain five good GCSEs by 2004 (in partnership with Education)

**OR**

- Improve life chances for children narrowing the gap between the proportions of children in care and their peers who are cautioned or convicted

##### ***Education (mandatory)***

- Reduce school truancies by 10% by 2004 compared to 2002, sustain the new lower level & improve overall attendance levels thereafter

##### ***Crime reduction (mandatory)***

- Reduce crime & the fear of crime
- &/OR**
- Reduce domestic burglary by 25% from 1998-99 to 2005 & maintain that level

##### ***Cost-effectiveness (mandatory)***

- Improve delivery and value for money of local services by overall annual improvements in cost effectiveness of 2% or more

##### ***Other***

- Agreement needs to include at least 2 other national targets

#### LOCAL TARGETS

##### ***Waste recycling***

- Increase the overall rate of recycling/composting at civic amenity sites to at least 40% (excluding rubble) by the end of 2005/06 – may be part of a wider recycling target

***Access to the countryside***

- Increase the proportion of signed and easy to use rights of way

***Road safety***

- Reduce the number of people killed and seriously injured on local roads

***Crime reduction***

- Reduce street crime and fear of crime in specific urban areas by improving the standard and quality of street lighting
- Reduce violent crime, particularly domestic violence
- Percentage of adults arrested and completing a drug referral programmes
- Reduce youth offending

***Social Services***

- Increase respite care services
- Increase take-up of Direct Payments

***Education***

- Reduce the gap in achievement between boys & girls at GCSE level
- Increase post-16 staying-on rates in Barrow & West Cumbria
- Improve pupil retention rates on A-level courses across Cumbria
- Increase number of young people gaining vocational qualifications at levels 2 & 3 at age 19

***Cycling***

- Double the number of cycling trips by March 2006

***Other suggestions***

- Building active communities through community planning processes; supporting the development of community level action plans, through the mechanism of neighbourhood forums to facilitate "joined up", effective service delivery and enhanced community and public participation
- Halt the deterioration in the condition of local roads

**CCC Policy Unit**

**7 October 2002**