



Leicester  
City Council

**WARDS AFFECTED**  
**All Wards**

## **FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:**

**Cabinet**

**26<sup>th</sup> January 2009**

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### **LEICESTER'S SECOND GENERATION LOCAL PUBLIC SERVICE AGREEMENT (2005/08) REWARD GRANT CLAIM**

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#### **Report of the Director of Partnership, Performance & Policy**

#### **1. Purpose of Report**

This report seeks Cabinet 'sign-off' of a claim for Reward Grant in respect of Leicester's Second Generation Local Public Service Agreement (LPSA 2). Performance against some targets is still subject to verification by Internal Audit and may result in a supplementary claim being made in 2009/10.

#### **2. Summary**

- 2.1 A Local Public Service Agreement is an agreement between central government and local authorities designed to drive radically improved performance of public services in the locality, and critically, to deliver improved outcomes for local people. To provide an incentive for improved performance, an LPSA includes the provision of a pump-priming grant and a significant reward grant (payable on successful achievement of improved outcomes).
- 2.2 Leicester's second generation LPSA was agreed with the Office of the Deputy Prime Minister (now Communities and Local Government) in April 2006. The end date for the majority of targets in this agreement is March 31<sup>st</sup> 2008, with school based targets running through to the end of the 2007/8 academic year.
- 2.3 For this second generation LPSA a pump-priming grant of approximately £1 million has been paid to the Council with a maximum reward grant, based on all targets being met, of approximately £8.75 million.

- 2.4 This report sets out the latest position on performance against targets in the LPSA and identifies the provisional level of claim for reward grant to be submitted to Communities and Local Government by 1<sup>st</sup> February 2009.
- 2.5 Second generation LPSAs are the final round of LPSAs. In future the principle of providing a financial reward for delivering improved performance will be integrated into Local Area Agreements.

### **3. Recommendations**

- (i) Agree that a claim for LPSA reward grant be submitted to Communities and Local Government on the basis of the information set out in this report
- (ii) Agree (in line with the previous decision of Cabinet in December 2007) that the revenue element of reward grant be allocated to Leicester Partnership delivery groups. This allocation will be determined by the actual level of reward granted for performance against targets in each delivery group's area of responsibility.
- (iii) Recommend to delivery groups that a minimum of 25% of reward grant for each target is allocated to the agency responsible for delivering the improved performance as a reward and to enable them to sustain improved performance.
- (iv) Ask delivery groups to use the balance of their allocation to commission activities that will contribute to current One Leicester / LAA priorities.

### **4. Report**

4.1 There are 12 substantive targets in our LPSA:

- Improving life chances of vulnerable children
- Improved outcomes for Primary School Students
- Improved outcomes for secondary school students
- Improved learning outcomes for adults from hard to reach groups
- Improving the city's environment
- Reducing avoidable use of hospital beds
- Creating a safer city
- Tackling domestic violence in the city
- Tackling arson in the City
- Building healthier and more cohesive communities
- Improving the availability and quality of affordable housing in the city
- Maximising Income for people from disadvantaged groups

4.2 Each target is equally weighted in terms of reward grant. Most targets are made up of a number of sub-targets, these are subject to different weightings.

4.3 For each target (and sub-target) a baseline is agreed and then two targets are negotiated: 'performance without LPSA' and 'performance with LPSA'. The difference between these targets is described as the 'stretch'. Reward grant is payable dependant on how much of the stretch is delivered, starting at 60% and rising up to 100%. The hypothetical example below illustrates how this works:

#### Reduction in customer complaints

Baseline (2004/5) – 500

Expected performance without LPSA (2007/8) – 400

Performance with LPSA (2007/8) - 300

Stretch target - 100

Actual performance (2007/8) – 325 (75% of stretch target)

Reward grant – 75% of maximum allocation

4.4 The key thing to note is that LPSA reward grant is dependant on achieving improvement above and beyond planned improvement. All targets were subject to rigorous negotiations with government departments, and final targets were by definition highly ambitious and challenging.

4.5 The list below presents a summary of those targets that have to date been verified by Internal Audit. Of the 42 targets and sub targets the audit has been completed on 38 (90%). Of these the number of:

- Targets achieving 100% reward 16 (42.1%)
- Targets exceeding 60% reward trigger 1 (2.6%)
- Targets exceeding without LPSA level but below reward trigger 4 (10.5%)
- Targets exceeding baseline but below without LPSA level 6 (15.8%)
- Targets below baseline 7 (18.4%)
- Qualified by audit 4 (10.5%)

Detailed information on performance against these audited targets is contained in Appendix 1 of this report.

4.6 The value of reward grant claim for these 38 targets is **£4,461,771**.

4.7 However, three of the targets are subject to reservations being expressed by Internal Audit. While the delivery partners claim to have met or exceeded the targets it has not been possible to identify sufficient evidence to fully support this claim. As such, it is possible that CLG will not accept these elements of our claim. Should this be the case our claim would be reduced to £3,752,072.

4.8 It has not been possible to complete the audit for four of our targets. Further work on these targets may result in a supplementary claim being made to CLG in 2009/10.

4.9 While it is clearly disappointing that some targets were not met and in some cases no improvement in performance was delivered, on the whole the LPSA has proved to be a valuable catalyst for driving improved performance. There are a number of examples where significant improvement in performance has been delivered. Of particular note, there were two cases where the full substantive target was met: reducing avoidable use of hospital beds; and tackling arson in the city. This latter target delivered by Leicestershire Fire & Rescue Service's Arson Task Force is particularly impressive, having exceeded targets on all three aspects of the target. In doing so, they have been acknowledged as the fastest improving service in the country with regard to reducing arson.

4.10 In December 2007 Cabinet agreed the following basis for distribution of reward grant:

“Pool the revenue element of the reward grant into Leicester's Area Based Grant (Local Area Agreement pooled funding) to enable the commissioning of services to deliver priority outcomes as set out in Leicester's sustainable community strategy (*One Leicester*) and Local Area Agreement. And, manage the capital element through the City Council's corporate capital programme, consulting through Leicester Partnership on spending proposals. This option does not preclude an element of direct reward to those responsible for delivering targets.”

4.11 Detailed recommendations building on this decision are set out in section 3 of this report.

## **5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS**

### **5.1. Financial Implications**

A Performance Reward Grant of approximately £8.75 million is potentially available to the council. The reward grant will be paid in two equal instalments in the financial year following that in which the end date of the Local PSA falls, and the next financial year. Half of each instalment of the grant will be paid as a capital grant, and half as a revenue grant. The grant is normally divided equally between the 12 areas for service improvement. To receive the full grant the authority must achieve 100% of the improvement in performance. If it achieves less, the grant is scaled down, pro rata, but no grant is paid if the authority achieves less than 60% of the improvement in performance.

Steve Charlesworth (Head of Strategy & Development) – x. 29 7495

### **5.2 Legal Implications**

There are no additional legal implications arising from this report.

Peter Nicholls (Head of Legal Services) – x. 29 6302

## 6. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph Within Supporting information	References
Equal Opportunities	No		
Policy	No		
Sustainable and Environmental	No		
Crime and Disorder	No		
Human Rights Act	No		
Elderly/People on Low Income	No		

## 8. Background Papers – Local Government Act 1972

Second Generation Local Public Service Agreement: Shortlist of Proposals – Cabinet, 6<sup>th</sup> September 2004

Second Generation Local Public Service Agreement: Distribution of Reward Grant – Cabinet, 4<sup>th</sup> April 2005

Second Generation Local Public Service Agreement – Cabinet 9<sup>th</sup> January 2006

Second Generation Local Public Service Agreement: Distribution of Reward Grant – Cabinet, 10<sup>th</sup> December 2007

## 9. Consultations

Internal Audit  
Corporate Directors Board – 16.12.08

## 10. Report Author

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<b>Key Decision</b>	No
<b>Reason</b>	N/A
<b>Appeared in Forward Plan</b>	N/A
<b>Executive or Council Decision</b>	Executive (Cabinet)

## Appendix 1

Target No.	Summary description	Audited Grant Claim (£)	Capital Programme	Delivery Group Allocation	Partner Reward	Delivery Group	Partner(s)
1.1a	% children in Leicester City (apart from the 6 local Sure-Start areas), scoring 6 points or above on the Communication, Language and Literacy strand of the Foundation Stage Profile	£164,063	£82,031	£61,523	£20,508	C&YP	LCC/C&YP
1.1b	Reduction in the gap between the % of children in Leicester City scoring 6 points or above in the Communication, Language and Literacy strand of the Foundation Stage Profile in the non Sure-Start areas and those children living in the postcodes of the 6 local Sure-Start programmes	£80,717	£40,359	£30,269	£10,090	C&YP	LCC/C&YP
1.1c	% children in Leicester City (apart from the 6 local Sure-Start areas), scoring 6 points or above on the Personal, Social and Emotional Development strand of the Foundation Stage Profile	£0	£0	£0	£0	C&YP	LCC/C&YP
1.1d	Reduction in the gap between the % of children in Leicester City scoring 6 points or above in the Communication, Language and Literacy strand of the Foundation Stage Profile in the non Sure-Start areas and those children living in the postcodes of the 6 local Sure-Start programmes	£0	£0	£0	£0	C&YP	LCC/C&YP
1.2a	No. of schools accredited with the National Healthy School Standard by December 31st 2008	£0	£0	£0	£0	C&YP	LCC/C&YP
1.2b	Proportion of mothers in areas of high deprivation initiating breastfeeding	£121,516	£60,758	£45,568	£15,189	C&YP	PCT
1.2c	Proportion of mothers in areas of high deprivation sustaining breastfeeding	£121,516	£60,758	£45,568	£15,189	C&YP	PCT
2 (i)	% of children in Leicester schools attaining level 4 in English at KS2		£0	£0	£0	C&YP	LCC/C&YP
2 (ii)	% of children in Leicester schools attaining level 4 in Mathematics at KS2		£0	£0	£0	C&YP	LCC/C&YP

Target No.	Summary description	Audited Grant Claim (£)	Capital Programme	Delivery Group Allocation	Partner Reward	Delivery Group	Partner(s)
3.1a	Educational attainment of secondary school students in all schools in Leicester City measured by the increase in average GCSE and equivalent points score for the City (measured using the uncapped average points score) – summer 2007	£145,833	£72,917	£54,688	£18,229	C&YP	LCC/C&YP
3.1b	Educational attainment of secondary school students in all schools in Leicester City measured by the increase in average GCSE and equivalent points score for the City (measured using the uncapped average points score). – Summer 2008.	£328,125	£164,063	£123,047	£41,016	C&YP	LCC/C&YP
3.2	Pupil attendance levels in Key Stage 3 in Leicester City secondary schools	£218,750	£109,375	£82,031	£27,344	C&YP	LCC/C&YP
3.3a	% of secondary school aged children who had been looked after by Leicester City for at least 12 months and were of school age, who missed a total of 25 days schooling for any reason during the year (PAF C24) as a % of the whole LAC cohort – summer 2006	£0	£0	£0	£0	C&YP	LCC/C&YP
3.3b	% of secondary school aged children who had been looked after by Leicester City for at least 12 months and were of school age, who missed a total of 25 days schooling for any reason during the year (PAF C24) as a % of the whole LAC cohort – summer 2007	£0	£0	£0	£0	C&YP	LCC/C&YP
3.3c	% of secondary school aged children who had been looked after by Leicester City for at least 12 months and were of school age, who missed a total of 25 days schooling for any reason during the year (PAF C24) as a % of the whole LAC cohort – summer 2008	£0	£0	£0	£0	C&YP	LCC/C&YP
4 (i)	Adult learners improving literacy, numeracy and language skills through the achievement of qualifications on the National Qualifications Framework that contribute to the Skills for Life targets. - (2005/06)	£0	£0	£0	£0	Sustainable Economic Partnership	LCC/A&H

Target No.	Summary description	Audited Grant Claim (£)	Capital Programme	Delivery Group Allocation	Partner Reward	Delivery Group	Partner(s)
4 (ii)	Adult learners improving literacy, numeracy and language skills through the achievement of qualifications on the National Qualifications Framework that contribute to the Skills for Life targets. - (2006/07)	£0	£0	£0	£0	Sustainable Economic Partnership	LCC/A&H
4 (iii)	Adult learners improving literacy, numeracy and language skills through the achievement of qualifications on the National Qualifications Framework that contribute to the Skills for Life targets. - (2007/08)	£0	£0	£0	£0	Sustainable Economic Partnership	LCC/A&H
5 (i)a	Annual number of fly-tipping incidents (as recorded on the national 'Flycapture' database). – 2006/07	£0	£0	£0	£0	Safer Leicester Partnership	LCC/R&C
5 (i)b	Annual number of fly-tipping incidents (as recorded on the national 'Flycapture' database). – 2007/08	£0	£0	£0	£0	Safer Leicester Partnership	LCC/R&C
5 (ii)a	% area of parks and green spaces covered by Green Flag scheme	£72,917	£36,458	£27,344	£9,115	Not allocated yet	LCC/R&C
5 (ii)b	User satisfaction with parks, open spaces and play areas established by MORI survey	£145,833	£72,917	£54,688	£18,229	Not allocated yet	LCC/R&C
5 (ii)c	Use of parks, open spaces and play areas	£145,833	£72,917	£54,688	£18,229	Not allocated yet	LCC/R&C
6	Number of emergency unscheduled acute and community hospital bed days (defined in the DoH guidance for Local Delivery Plans 2005-2008) occupied by a person aged 75 or more in NHS hospitals in Leicester.	£729,167	£364,584	£273,438	£91,146	Health and Wellbeing	PCT
7 (i)	Reduction in the rate of (non-domestic) violent crime across the city of Leicester based on the British Crime Survey classification of Wounding.	£0	£0	£0	£0	Safer Leicester Partnership	Police
7 (ii)a	Number of unemployed offenders entering sustainable employment – includes prolific and priority offenders. – FERN Training	£0	£0	£0	£0	Safer Leicester Partnership & Sustainable Economic Partnership	Fern



Target No.	Summary description	Audited Grant Claim (£)	Capital Programme	Delivery Group Allocation	Partner Reward	Delivery Group	Partner(s)
7 (ii)b	Number of unemployed offenders entering sustainable employment – includes prolific and priority offenders. – MAPPOM	£0	£0	£0	£0	Safer Leicester Partnership & Sustainable Economic Partnership	MAPPOM
7 (ii)c	Number of unemployed offenders entering sustainable employment – includes prolific and priority offenders. – Probation registered	£0	£0	£0	£0	Safer Leicester Partnership & Sustainable Economic Partnership	Probation Service
8 (i)	Increase in number of reported incidents of domestic violence	£0	£0	£0	£0	Safer Leicester Partnership	Police
8(ii)	Percentage of reported incidents that are repeat incidents in the last twelve months	£437,500	£218,750	£164,063	£54,688	Safer Leicester Partnership	Police
9(i)	Reduction in number of deliberate primary fires - Recorded in Section 5 of the FDR1 as a “deliberate” fire (only alternatives are “accidental” or “not known”), this will exclude deliberate primary fires in vehicles	£182,292	£91,146	£68,359	£22,786	Safer Leicester Partnership	Fire Service
9(ii)	Reduction in number of deliberate motor vehicle fires - Recorded in Section 3 of the FDR1 as a “Fire starting in motor vehicles”, this is the recording of the above exclusion with the cause, as above, recorded in Section 5.	£364,584	£182,292	£136,719	£45,573	Safer Leicester Partnership	Fire Service
9(iii)	Reduction in number of deliberate secondary fires - Recorded on an FDR3 this includes all deliberate secondary fires including derelict vehicles (these are not being recorded separately as in BVPI 206 because they represent such a small percentage of the whole).	£182,292	£91,146	£68,359	£22,786	Safer Leicester Partnership	Fire Service
10.1	% of adults (over the age of 16) in Leicester participating in at least 30 minutes of moderate intensity sport and active recreation (including walking) on three or more days each week.	£0	£0	£0	£0	Health and Wellbeing	LCC/R&C

Target No.	Summary description	Audited Grant Claim (£)	Capital Programme	Delivery Group Allocation	Partner Reward	Delivery Group	Partner(s)
10.2a (i)	Improving Community Cohesion through increased participation in cultural activity - The % of adults who regularly meet and talk with people of different ethnic origin in their neighbourhood.	£54,688	£27,344	£20,508	£6,836	Stronger Communities Partnership	LCC/R&C
10.2a (ii)	% of adults who regularly meet and talk with people of a different social class in their neighbourhood.	£54,688	£27,344	£20,508	£6,836	Stronger Communities Partnership	LCC/R&C
10.2b	% of the population volunteering in sport and physical activity for at least one hour per week.	£0	£0	£0	£0	Health and Wellbeing	LCC/R&C
11(i)	Increase in the number of private sector vacant dwellings returned into occupation as a direct result of action by the Local Authority.	£262,500	£131,250	£98,438	£32,813	Sustainable Economic Partnership	LCC/A&H
11(ii)	Increase in the percentage of vulnerable private sector households living in decent homes.	£466,667	£233,333	£175,000	£58,333	Sustainable Economic Partnership	LCC/A&H
12 (i)	Incapacity benefits claimants gaining a job entry that is sustained for 16 hours per week or more and for at least 13 weeks.	£0	£0	£0	£0	Health and Wellbeing & Sustainable Economic Partnership	LCC/A&H
12 (ii) a	Attendance Allowance benefit award	£182,292	£91,146	£68,359	£22,786	Health and Wellbeing	LCC/A&H
12 (ii) b	Pension credit benefit award	£0	£0	£0	£0	Health and Wellbeing	LCC/A&H

<b>PRG Distribution Totals</b>
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£4,461,771

£2,230,886

£1,673,164

£557,721

## Reservations/Amendments to Performance Indicators

<u>Indicators</u>	<u>Reservations</u>
1.2b	We were unable to validate the performance indicator in relation to the proportion of mothers in the six identified areas of high deprivation who initiated breastfeeding as per LPSA agreement. It was stated that the partner agency was not made aware of the need to maintain an auditable trail and as such, some information had been destroyed to preserve the confidentiality (as this contained sensitive information about individuals). We therefore cannot confirm that the system in place for collating and monitoring the performance data was robust and we have made recommendations for improvement.
1.2c	As 1.2b mothers initiating breast feeding above.
7(ii)b	We were unable to establish the performance indicator in relation to the number of unemployed prolific and priority ex-offenders entering sustainable employment as per LPSA agreement. It was stated that the Performance Indicator was delivered in partnership with MAPPOM who have failed to provide the performance monitoring reports throughout the LPSA period. We therefore cannot confirm that the system in place for collating and monitoring the performance data was robust and we have made recommendations for improvement.
11(ii)	We are satisfied that the figure for sub-target 11(i) - the increase in the number of private sector vacant dwellings returned into occupation as a direct result of action by the Local Authority is a fair representation of the performance achieved. However, although we acknowledge that work had been done to increase the percentage of vulnerable private sector households living in decent homes (sub-target 11(ii)), it was not possible to confirm the reported 1320 performance indicator figure as information from the partner agencies involved could not be made available for review during the course of the audit. We therefore cannot confirm that the system in place for collating and monitoring the performance data was robust and we have made recommendations for improvement.

### NOTES

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|--------|---|
| 2 (i)  | The published KS2 figures for English and Mathematics were not available or released by DCSF as at 14 <sup>th</sup> January 2009 and further work may result in a supplementary claim.  |
| 2 (ii) |   |
| 7(ii)a | Although performance figures have been supplied to Internal Audit as at 14 <sup>th</sup> January 2009 there are some discrepancies in the final figures which require further audit work. This may therefore result in a supplementary claim. |
| 7(ii)c |   |