

Leicester
City Council

Wards affected: All wards (Corporate Initiative)

**Cabinet
Council**

**11th March 2002
21st March 2002**

Leicester's Public Service Agreement

Report of the Chief Executive

1. Purpose of Report

This report asks members to note the 14 targets which form the starting point for our Public Service Agreement (PSA) negotiations with government. The report also seeks approval to refer the report to Council, as variations to some targets contained in the key strategies and plans which make up the policy framework may be required. This will be required when the PSA is finalised; the deadline for this is before the following Council meeting.

2. Summary

Members and Directors agreed last year that Leicester should develop a PSA with central government. The agreement was submitted to government on 4th March and an 8 week period of negotiation is now underway. A copy of the draft agreement is attached as an appendix to this report and supporting information is available in the Members' Library. The final agreement will contain 12 targets, however we have begun the negotiations with 14 targets. The PSA, essentially a contract between the council and government, is in place from May 2002 to March 2005.

This report focuses on 3 aspects of the agreement:

- stretch targets for each of the 14 targets;
- freedoms and flexibilities;
- allocation of the pump priming fund.

Recommendations

Members are asked to:

- a) confirm the stretch target for each of the 14 targets (schedule 1 of appendix);
- b) note the indicative allocation of pump priming (schedule 2 of appendix);
- c) confirm the freedoms and flexibilities requested by officers (schedule 3 of appendix);

- d) the Council be asked to give authority to the Cabinet to vary the Policy Framework within the parameters of these targets, to enable the PSA to be finalised by the government's deadline.

4. Financial and Legal Implications

a) Freedoms and Flexibilities

As part of the PSA the government will grant freedoms and flexibilities to enable councils to deliver targets more easily. The government will negotiate with the council on the freedoms and flexibilities and not all will be successfully granted. A summary of our requests is included in schedule 2 of the appendix.

b) Pump Priming Funding

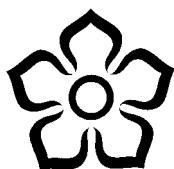
The PSA comes with approximately £1 million in pump priming funding and lead officers have asked for a share of this for each of the targets. The indicative allocation for each target is included in schedule 3 of the appendix. The final allocation is subject to the outcome of the negotiation with government. Departments have also allocated funding to these targets and the pump priming funding will enable the stretch target to be achieved more efficiently and effectively .

c) Performance Reward Grant

A Performance Reward Grant of approximately £7million is available to the council. The grant is divided equally between the 12 targets. To receive the full grant in relation to a target, 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. The grant is payable in the two financial years following the end of the PSA period.

5. Report Author/Officer to contact:

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SUPPORTING INFORMATION

1. Background

A Public Service Agreement is an agreement between the local authority and the government made up of 12 targets, 7 national and 5 local, all of which will improve the life of local people by delivering services more quickly or at a higher standard than would otherwise be the case. In return the government offers £1 million in pump priming funding at the start of the process and around £7 million in performance reward grant at the end of the 3 year period. There is also an opportunity to negotiate freedoms and flexibilities with central government, ie the removal of barriers which inhibit performance.

Leicester submitted our draft PSA to central government on March 4th and an 8 week period of negotiation on the targets is now underway. 14 targets have been included in the draft agreement to allow 2 to fall away during the negotiation period. The draft agreement is attached as appendix 1.

2. Targets

The PSA must include 12 targets: 7 national and 5 local. In summary the targets are:

- | | |
|-----------|---|
| Target 1 | increase attainment in GCSE Grades (national); |
| Target 2 | educational attainment of looked after children (n); |
| Target 3 | reduce number of looked after children including successful adoption (local): |
| Target 4 | rehabilitation and care of older people (n); |
| Target 5 | tackling fuel poverty by improving energy efficiency in homes (l); |
| Target 6 | reducing the number of adult smokers (l); |
| Target 7 | reduce domestic burglary (n); |
| Target 8 | reduce road casualties in traffic accidents (n); |
| Target 9 | improving the cleanliness of the city centre (l); |
| Target 10 | reduce number of rough sleepers (l); |
| Target 11 | increase participation in cultural activity (l); |
| Target 12 | increase take-up of electronically delivered services (n); |

- Target 13 increase employment rates, particularly in ethnic minority people (n);
 Target 14 improvement in efficiency, effectiveness and economy (n).

The targets are listed in schedule 1 of the draft agreement in appendix 1, along with the current performance and the stretch target for 2005. The targets all relate directly to the Community Plan and the PSA is seen as the vehicle to deliver the Plan. Only limited information is given for target 14 (cost efficiency) as this will be a basket of between 25 and 40 indicators which will be developed as part of the negotiations.

The majority of the targets contribute to the key strategies and plans which make up the council's Policy Framework. Some of targets included in the key strategies and plans may require amendment as a result of the PSA. Therefore a variation to the Framework may need to be sought specifically in relation to targets contained in the following plans:

Target No.	Description	Key Strategy or Plan
3	Increase GCSE attainment	Education Development Plan
6	Increase employment rates	Regeneration Strategy
7	Rehabilitation and care of older people	Community Care Strategy
9 L2	Educational attainment of looked after children Reduce number of looked after children	Quality Protects
18	Reduce domestic burglary	Crime & Disorder Strategy
26	Reduce casualties in road traffic accidents	Local Transport Plan
L3	Increase participation in cultural activity	Cultural Strategy Annual Library Plan
L5	Reduction in number of rough sleepers	Housing Strategy
L12	Improve cleanliness of city centre	Waste Management Strategy
L13	Reduce number of adult smokers	Health Improvement Programme

3. Freedoms and Flexibilities

As part of the PSA the government has given a commitment to grant freedoms and flexibilities to enable service to be improved. In reality this means the removal of government "red tape" or changes to regulations or process which hinder service delivery.

The freedoms and flexibilities we are requesting are listed in schedule 2 of the appendix. If granted by the government some of these may require amendments to existing key strategies and plans as contained in the Policy Framework.

The Head of Legal Services has been consulted on the freedoms and flexibilities.

4. Negotiations

All of the information in the draft agreement is subject to the outcome of negotiations with government. In some cases the government may insist that a target is stretched further. In other cases the government will accept our proposed stretch. Negotiations are carried out government expert to council expert, either by phone or by e-mail between March 4th and April 26th. Thereafter the PSA is agreed by a government committee and signed by both the council and government ministers.

5. Background Papers

Public Service Agreements – Progress Report to Finance, Resources and Equal Opportunities Scrutiny Committee 22nd November 2001

6. Other Implications

Other implications	Yes/No	Paragraph references within supporting information
Equal Opportunities	Yes	Central theme to whole PSA – specifically targets N31, L3, L5 (Appendix 1)
Policy	Yes	All targets (Appendix 1)
Sustainable and Environmental	Yes	Targets L9, L12
Crime & Disorder	Yes	Target 18
Human Rights Act	Yes	Target 18
Elderly People/People on low income	Yes	Targets 7, L9

7. Consultation

All departments through lead officers on PSA Project Team
Head of Legal Services and Head of Financial Strategy
Leicester Partnership
Health Partnership Executive Board
Leicestershire Health
Leicestershire Constabulary
Employment Service

8. Report Author

Liz Reid Jones, PSA Project Manager, Chief Executive's Office, ext. 6097