

Meeting of the Cabinet - 14th June 2006

Report of the Chief Executive and Director of Children's Services

Local Public Service Agreement

Purpose of Report

1. To advise the Cabinet of the anticipated outcome of the Council's Local Public Service Agreement (LPSA) and to seek authorisation for the allocation of funds to partners.

Background

2. The Council's first LPSA ran from 1st April 2003 to 31st March 2006.
3. The agreement contains 12 target areas, each measured against one or more performance indicators.
4. Success for each indicator is measured against the 'stretch' target i.e. the difference between what would have been achieved without the LPSA and what was achieved with it.
5. If 60% of any stretch target is achieved, 60% of the available reward money for that target becomes payable to the Council. Allocation of reward then rises in direct correlation to performance up to 100% allocation for fully achieving a target.
6. The Council received £1,055,082 in pump priming grant in order to enable improvement projects to begin. Pump priming grant is not dependant on achievement.
7. The amount of reward grant potentially available for the council is £7,073,725, equally divided across the 12 target areas.
8. Although the LPSA period ended on 31st March of this year, some targets related to the academic year and results are not yet available. In addition, two indicators are subject to technical guidance or moderation, final details of which are not yet available.
9. Given the above, and prudently based on results available as at 31st March, it is estimated that the council will achieve £5 million in reward money which represents 70% of the available reward compared with an average of 61% achieved by LPSA pilot authorities.
10. The audit and process to claim reward grant are not due to be completed until early in 2007. This is in accordance with the government timetable to allow the first elements of reward to be received before the end of the current financial year.

11. Partners have contributed to the delivery of LPSA 1 and are currently engaged in preparation for the Local Area Agreement (LAA) which will contain LPSA 2.
12. In order to acknowledge the contribution of partners to date and to facilitate their preparation for the LAA, partners have requested a commitment from the anticipated reward grant.

Finance

13. Performance reward grant will be paid half as capital grant and half as revenue grant. There will be two equal instalments, in the two financial years following the end of the LPSA i.e. in 2006/07 and 2007/08. This has been considered in the proposals put forward in this report.
14. This report is financial in nature and specific information about the individual proposals is contained within the body of the report.

Law

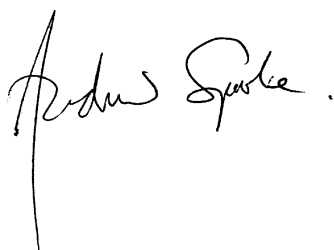
15. The contents of this report deal with a range of Council functions including those under the Crime and Disorder Act 1998, the Education Acts, the National Assistance Act 1948, the Highways Act 1980 and the Town and Country Planning Act 1990.
16. Section 2 of the Local Government Act 1980 enables the Council to do anything which is likely to achieve the promotion or improvement of the economic, social and environmental well being of the area.

Equality Impact

17. The LPSA contains targets which seek to address Council and partner priorities and inequalities within the borough. Targets specifically address improving ICT literacy, improving the educational performance of looked after children, improving the opportunities of people with disabilities to live at home and reducing unemployment among disadvantaged groups.
18. Where results are known, the Council can demonstrate performance improved beyond levels which would have been achieved without the LPSA and therefore, improved outcomes for disadvantaged groups and children.

Recommendations

19. That the allocation of reward grant, based on current projections and as laid out at Appendix 1 to this report, is approved.
20. That any significant variance between the estimated and actual reward grant be the subject of a further report.



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CHIEF EXECUTIVE



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Appendix 1: Distribution of forecast reward grant

	Total (£5.0m)
<u>Dudley Council Allocation</u>	
1. CATS / Council Plus	2.219
2. Roads (repayment of unsupported borrowing)	0.700
3. Employment project agreed as part of LPSA	0.289
4. Bridging salaries – (April – June)	0.025
5. Street Cleansing (purchase of additional equipment)	0.037
6. Falcon House – partnership base (2 year funding)	0.150
7. Black Country Consortium	0.150
8. DCVS	0.060
Sub-Total DMBC	£3.63m
<u>Partnership Allocation</u>	
9. Local Strategic Partnership	1.20
10. Police (Dudley North / South)	0.12
11. Publicity (Dudley Together Magazine)	0.05
Sub-Total Partners	£1.37m
Grand Total	£5.0m

Comments:

1. The majority of Dudley's allocation has been directed towards the CATS/Council Plus initiative. This was agreed at the outset of the LPSA, details of which have been reported to Members on several occasions.
2. In order that we delivered against road improvement targets, unsupported borrowing was undertaken. To ensure no long term burden upon our highways section, it was agreed that associated reward would repay incurred debt.
- 3 & 4 Funding necessary additional staff costs incurred to deliver targets for 'reducing unemployment among disadvantaged groups'. A request has also been made for temporary funding of those people for an initial 3 month period April to June 2006 whilst alternative resources are sought for the medium / long term.
5. Funding additional street cleansing equipment rental charges incurred in 2005/06 in order to achieve stretch target levels.
6. Falcon House reflects the rental and associated costs for new Partnership premises 2006 – 08.
7. Funding planned Black Country Consortium works for 2006/07
8. Money agreed to enable DCVS to work across community organisations, in particular, to aid the development of the LAA.
9. To reflect partnership achievements in LPSA1 and facilitate preparation for the Local Area Agreement which includes LPSA2.
10. To support specific costs incurred through additional policing in support of LPSA1 targets.
11. Funding a borough wide publicity programme (Dudley Together Magazine) informing residents of the successes of LPSA and other partnership initiatives.