

AGENDA ITEM NO.

**OVERVIEW & SCRUTINY PANEL
(SERVICE DELIVERY & RESOURCES)**

5TH APRIL 2005

CABINET

7TH APRIL 2005

LOCAL PUBLIC SERVICE AGREEMENT (Report by the Head of Policy)

1. INTRODUCTION

- 1.1 The purpose of this report is to update the Panel and Cabinet on progress with arrangements for a second Local Public Service Agreement (LPSA) in Cambridgeshire and to authorise arrangements relating to the District Council's participation in the Agreement.

2. BACKGROUND

- 2.1 LPSAs are voluntary contracts negotiated between County Councils and the Government. Their purpose is to deliver improved public services locally in the medium term, 2-3 years. They provide (limited) pump-priming money to help start improvements and, where improvements are achieved, reward grants to invest in further improvements in services.
- 2.2 Cambridgeshire County Council was one of the 20 or so pilots involved in the first round of Agreements and they have been invited to participate in the second round. A significant difference in the second LPSAs is the strong emphasis on partnership working, and a prerequisite of the successful negotiation of the Agreements will be the support of key partners including local strategic partnerships generally and of District Councils specifically.
- 2.3 The pump-priming grant will be £1.3 million and the performance reward grant will be £12.5 million if stretching targets are fully met. A reduced amount of grant will be paid if targets are at least 60% achieved.
- 2.4 The development of a second LPSA for Cambridgeshire started in December 2003 and followed the process set by Office of the Deputy Prime Minister (ODPM). The first stage involved the agreement of priority areas (see appendix). This was done in conjunction with the five local strategic partnerships including the District Councils, Primary Care Trusts and the Police. The District Council's involvement in the priority topics has been restricted to those areas which are compatible with the Council's priorities and where work and resources would have been directed. In this way the achievement of the Council's priorities and the LPSA topics have become more sustainable.
- 2.5 Subsequently performance measures were submitted and, once agreed by ODPM, the negotiation of stretch targets with Government Departments commenced. This process has become protracted. The difficulties experienced in Cambridgeshire have been replicated

in other areas and to date only two authorities, so far, have signed new Agreements.

- 2.6 Effectively, Cambridgeshire's second LPSA commenced in October 2004 even though the final detail of the performance indicators and targets is not in place. It is expected that this final stage will be completed soon and the Agreement will be signed formally in May 2005. Delays in signing the Agreement have postponed the release of pump-priming monies and this, in turn, may affect the ability of some topic areas to achieve stretching targets within the remaining timeframe of the Agreement.

3. AGREEMENT OF TOPIC TARGETS

- 3.1 During the negotiations with ODPM some topics have had to undergo considerable change to satisfy Government demands for –

- value for money, and
- outcome measures.

- 3.2 In particular, all the 'preventative' topics have found negotiations difficult and this has resulted in some topics being expanded to include additional performance measures or additional work areas, the inclusion of survey (eg public perception) measures and the merger of topics. Another challenge has been to meet the Government's expectation that the LPSA will include new and innovative work, but also their insistence that targets should be based on established baseline data and existing (national) measures.

- 3.3 Because of the difficulties and protracted nature of the negotiation, it has been difficult to produce a definite position statement on progress with the subject areas. The Appendix summarises the stage of negotiations on all topics and demonstrates that the negotiation of targets now is well advanced, and that in several areas negotiations have been concluded and are awaiting sign-off.

- 3.4 Of particular interest to the District Council is the proposed topic on affordable housing. This has proved particularly difficult, despite agreement with ODPM that this is an innovative area of work and one they would like to see developed. Officers from key partner organisations have met with ODPM and progress has been made recently. Detailed negotiations are continuing, but it is very unlikely that early agreement will be reached. ODPM have indicated that it would be possible to sign-off the rest of the Agreement, including the release of pump-priming grant, with the affordable housing topic being added subsequently, if agreement can be reached.

4. DEVELOPING A PARTNERSHIP AGREEMENT

- 4.1 In parallel to the negotiations with ODPM, partners formed a reference group to develop a partnership agreement to help to ensure commitment to the successful achievement of the second LPSA.

- 4.2 The draft partnership agreement sets out the roles and responsibilities of partners, arrangements for allocating pump-priming monies and the distribution of eventual performance reward grants, as well as project management and performance management arrangements.

- 4.3 A key feature of the partnership agreement relates to the distribution of reward grant. The County Council have endorsed the principle that 50% of the reward grant will be distributed equally to each of the five Local Strategic Partnerships (LSPs) in the County. The remaining 50% also will be distributed to the five Strategic Partnerships, but in proportion to the contribution made by the Partnership or by individual partners to the achievement of the improvement targets. The LSPs will be able to reinvest that grant in further improvements in services.
- 4.4 It is anticipated that the partnership agreement will be ready to be signed at the same time as Ministers sign-off the LPSA.

5. RECOMMENDATION

- 5.1 The Panel and Cabinet are asked to note the progress being made in relation to Cambridgeshire's second LPSA.
- 5.2 Cabinet is recommended to authorise the Chief Executive, after consultation with the Leader, to enter into the partnership agreement relating to a Local Public Service Agreement for Cambridgeshire.

Background Information

LPSA file, held by the Head of Policy

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