

OXFORDSHIRE PUBLIC SERVICE BOARD - 23 MARCH 2009

**LOCAL AREA AGREEMENT “REFRESH”**

**Introduction**

1. Negotiations to agree targets between target leads and Government Office for the South East (GOSE) have been progressing and the majority of the targets in the refresh have now been agreed in principle.
2. Thematic partnerships have reviewed the targets negotiated by target leads on their behalf and are recommending them to the Public Service Board for submission to government.
3. The refreshed Local Area Agreement is at Annex 1. The document outlines how and why targets have been renegotiated. It also indicates what good performance is.
4. **As final negotiations are still underway an updated document will be circulated on Friday 20<sup>th</sup> March.**
5. This paper also provides a summary of the reward grant arrangements for LAA.

**Summary of negotiations**

**Place Survey based targets**

6. Audit Commission delays in verifying Place Survey data have delayed agreement on targets linked to survey questions. Oxfordshire performance in the place survey is generally very strong, GOSE has acknowledged this and in most cases has agreed targets based on a small performance improvement. It is hoped that by the time of the meeting it will be possible to recommend these targets for approval.

**Economic targets**

7. Renegotiation of targets on our economically affected indicators (NI 152, 154 and 155) has been deferred until later in 2009/10. This is to enable realistic target setting which is not currently possible. Whilst current targets are now redundant it remains important that action plans are in place and delivery continues. We will be expected to monitor performance on these indicators and maintain dialogue with GOSE over the coming year.

**Baselines**

8. A large number of other targets have been renegotiated because there have been changes to the original baseline data or target definitions have been clarified. In these cases the performance improvement of the targets have not changed.

### **Ongoing negotiations**

9. Debate around a small number of targets has been more complex and to date discussions are ongoing around,
10. **Domestic Violence (NI 32)**, there has been considerable debate locally and with the GOSE about the definition for this indicator. Following detailed analysis of local data GOSE has proposed setting targets based on the national average. This acknowledges the uncertainties that exist around our local arrangements and performance. The recommendation is that any LAA target be supported by local targets to give further context and understanding of the issue. Discussions are continuing and it is hoped that an acceptable proposal for all partners can be agreed by the time of the PSB meeting.
11. **Dealing with local concerns about crime and anti-social behaviour (NI 20)**, GOSE has indicated that the target set for this indicator should be aligned to that agreed between the Home Office and Thames Valley Police for the BCS crime survey. Oxfordshire's comparative performance within the Thames Valley is strong and discussions about the appropriate level of improvement for Oxfordshire continue.
12. Concerns have been raised locally about the deliverability of the **Access to services target (NI 175)**. The target has been refocused this year to concentrate on access from rural areas and is considered to be a fair target. However it is important that the risks are raised now given there is no option but to have a target based on this indicator.

### **New reward grant arrangements**

13. Government has produced guidance on the new arrangements for LAA reward grant. Here is a summary of the arrangements and how they impact on our LAA.
14. The primary difference in reward arrangements in LAA1 is that reward grant is no longer attached to a small number of mutually exclusive 'stretch' targets but is calculated based on an average of performance across all targets together. Also the total reward on offer is more modest.
  - Each area will receive approximately 0.54 per cent of their 2006-07 Net Budget Requirement (NBR). In Oxfordshire this is £3.769M
  - Reward will be calculated based upon average performance across the up to 35 designated LAA improvement targets agreed by local areas and government. These do not include the statutory educational achievement or purely local, non-designated targets (i.e. Oxfordshire 2030 targets).
  - No reward will be payable if an area's average performance is below a minimum level. Reward will be payable from average performance of 60% across all targets (40% payable at this point increasing on a sliding scale to 100%). Each target's performance will be calculated and given a score which will be used to determine the average across all targets.
  - All of the reward on offer will be payable if all targets are achieved.

- Baselines and target levels used to calculate reward grant will be confirmed in March 2009 for most indicators. Our economic targets are the exception to this as they will be renegotiated at the end of 2009/10 and linked to the reward arrangements at that point.
- Claims for Performance Reward Grant will be paid in two instalments during 2011-12 and 2012-13, each with a 28 per cent capital element
- The baseline period and final reward calculation period are fixed and set out in an annex to the guidance. This will avoid any problems with ambiguous baselines and definitions that we have experienced in LAA1.
- Targets for reward grant will be 'locked down' at this year's refresh with the exception of the economic indicators (152, 154, 155) which will have final targets set at the end of 2009. This is welcomed as we do not know what to renegotiate some of our economically influenced targets to at this point.
- Alongside our LAA submission we will submit a summary of data to be used to determine entitlement to Performance Reward Grant. This will be used to calculate our reward at the end of the delivery period.

Full reward guidance can be downloaded at <http://www.communities.gov.uk/publications/localgovernment/laarewardguidance2009>

## **RECOMMENDATION**

- **Agree targets as negotiated by target leads for submission to government.**
- **Delegate agreement of outstanding target negotiations to the LAA Steering Group.**

Claire Phillips  
Partnership Officer