

---

**LOCAL PUBLIC SERVICE AGREEMENT – FINAL REPORT**

---

**Responsible Cabinet Member - Councillor Don Bristow, Resource Management Portfolio**  
**Responsible Director – Lorraine O’Donnell, Assistant Chief Executive**

---

**Purpose of Report**

1. To inform Cabinet of the achievement against targets as agreed as part of the Local Public Service Agreement (LPSA) for Darlington and to outline the steps required for claiming the reward grant.

**Summary**

2. A LPSA is a three-year agreement between the local authority and its partners and Central Government, with a view to improving performance across key national and local priority areas by ‘stretching’ current published targets. Darlington’s LPSA consisted of 12 target areas. A performance reward grant is paid for each stretched target achieved.
3. The authority has achieved 65.8% of the available reward grant, i.e. £1,553,212 from a possible £2,360,784.

**Background**

4. The authority agreed 12 stretching areas of performance with central government departments early in 2004. For each area successfully achieving target, central government will pay the authority £196,732. The total potential grant is equivalent to 2.5% of the authority’s net budget requirement for 2002/03 (£94,431,400). Should the Council achieve 60% or more of the stretch target, it will receive 60% or more of the reward grant for that target. Each target stands alone and there is no minimum requirement on the authority to achieve a certain number of targets in order to receive a reward grant.

**Information and Analysis**

5. All targets have now ended and the claim process is due to commence. Darlington’s achievement of nearly 66% of the reward element compares favourably with other authorities. The Department for Communities and Local Government have to date received 60 claims for reward grant, the lowest being for 16% and the highest being 85%. The average for all 60 claims is 58%; therefore Darlington’s return is some 8% higher.
6. The authority received £786,933 pump-priming grant from central government to facilitate delivery of the stretch targets. With an additional £1.55m reward grant achieved, the LPSA has contributed in total to an extra £2.34m funding for Darlington.

7. Upon signing the LPSA, an estimate of reward grant was programmed in the MTFP. It was estimated that £880,000 revenue and £700,000 capital would be achieved, totalling £1,580,000. This estimate proved extremely accurate, compared against a claim figure of £1,553,212. Revised figures based upon draft outturn figures were programmed in the MTFP late last year. The actual claim is slightly higher than the draft figure quoted.

### **Claiming the Reward Grant**

8. Claims need to be certified by the Chief Executive. As a minimum requirement, a certificate from the authority's Internal Audit unit regarding the robustness of the reported performance information must support claims. Detailed performance information and exact grant amounts claimed must also be forwarded to the Department for Communities and Local Government.
9. The claim needs to be submitted before the end of this financial year. Payment of the reward grant will be made in two instalments, one paid in the financial year 2007/08 and one paid in 2008/09. Half of each instalment is paid in revenue, half in capital. Therefore, the authority can expect payment of £776,606 in 2007/08, and £776,606 in 2008/09.

### **Next steps**

10. In order to claim the reward grant, the Policy Manager will:
  - (a) verify all data prior to the final claim;
  - (b) liaise with the Chief Executive and Internal Audit;
  - (c) liaise with the Assistant Director, Accounting Services and Local Taxation as appropriate;
  - (d) complete and submit the official claim forms.

### **Conclusions**

11. Much has been achieved through an effective Local Public Service Agreement for Darlington. As well as contributing to an extra £2.34m funding for Darlington, service provision has improved across a range of priority services. Effective internal management and close working relationships with central government departments ensured that a strong and effective agreement was signed. This, in addition to regular monitoring by officers, chaired by the Portfolio Holder for Resource Management has resulted in a reward element return well above average.
12. The PSA has also led to effective learning, which was used to good effect in similar negotiations with central government departments over the Local Area Agreement Reward Element.

### **Outcome of Consultation**

13. The Local Public Service Agreement was based upon local and national priorities and has been subject to ongoing consultation with target owners and other stakeholders, who in turn have been instrumental in the reporting of performance.

## **Legal Implications**

14. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

## **Section 17 of the Crime and Disorder Act 1998**

15. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

## **Council Policy Framework**

16. The issues contained within this report do not represent change to Council policy or the Council's policy framework.

## **Decision Deadline**

17. For the purpose of the 'call-in' procedure this issue does not represent an urgent matter.

## **Recommendation**

18. It is recommended that Cabinet note and endorse the contents of this report.

## **Reasons**

19. The recommendation is supported to ensure that the performance reward grant achieved is claimed within timescale.

**Lorraine O'Donnell**  
**Assistant Chief Executive**

## **Background Papers**

Cabinet report 4th November 2003 PSA report  
Claiming local PSA reward grant – DCLG Guidance note

Andy Robinson: Ext. 2014