

**SUMMARY POSITION REGARDING LAA REWARD ELEMENT TARGETS
AND PERFORMANCE REWARD GRANT AS AT END OF YEAR TWO**

Introduction

The 2006 – 2009 LAA Contains 12 broad Reward Element (RE) target areas. Several are subdivided making 23 targets in total.

A total of £2.8 million Performance Reward Grant (PRG) is potentially payable on full achievement of all stretch targets.

Attached is a tabulation of all RE Targets and an indication of the PRG aligned to each.

For Performance - details are presented of:

- 1) The latest data available at the end of year two out-turn.
- 2) The current performance status against milestone targets.
- 3) The performance trend from baseline.

For Performance Reward Grant – details are presented of:

- 1) An indicative amount if an allocation was determined now.
- 2) An indicative amount using pessimistic projections of performance.
- 3) An indicative amount using optimistic projections of performance.
- 4) A risk scoring for each element indicating the degree of risk attached to the likelihood of not achieving the minimum 60% of ‘Stretch’ in order to deliver an amount of PRG

Conclusions

At the end of year two milestone we can reasonably predict a minimum allocation of PRG of between £1 million and £1.8 million, i.e. between 39% and 65% of the potential total. Note these projections are based on current performance. At least one (or in many instances two [for education]) more reporting periods are due before final reckoning. An improvement on the above position may be possible taking into account the lag time for initiatives to come good and with final year targeted actions.

Of the 23 Reward Target elements:

- 9 are classified as Low Risk = Highly likely to deliver all or the majority of PRG.
- 8 are classified as Medium Risk = Likely to deliver some element of PRG though some further element of intervention may be warranted.
- 6 are classified as High Risk = Unlikely to deliver any amount of PRG unless further intervention is considered warranted.