
**LOCAL AREA AGREEMENT – REWARD ELEMENT TARGETS
PROGRESS REPORT**

**Responsible Cabinet Member – Councillor John Williams, leader
Responsible Director – Lorraine O’Donnell, Assistant Chief Executive**

SUMMARY REPORT

Purpose of the Report

1. To inform Members of progress made to date in relation to the performance of the Local Area Agreement Reward Element Targets for the pilot LAA 2006-2009.

Summary

2. The authority agreed 12 stretching areas of performance with central government departments in 2006 as part of the pilot Local Area Agreement (LAA). Successful delivery of the stretch targets attracts a potential payment of up to £2.8m in Performance Reward Grant (PRG). It is therefore imperative that regular monitoring is conducted, and action taken to remedy slippages where appropriate. Six-monthly progress reports have been submitted the LAA Steering Group to date with interim progress monitoring with lead officers. As we enter the final and most critical phase a fundamental review leading to more regular monitoring is required.
3. Five of the 12 Reward Element (RE) targets will complete by 31st March 2009, with seven ending between July and September 2009, in order to allow for survey results/academic results to be collated. With now less than a year to go before the majority of RE targets need to be achieved, action is now required where possible in those areas which are underperforming to best maximise the chances of attaining as much reward grant as possible.

Recommendation

4. It is recommended that Cabinet:
 - (a) note the performance of the LAA Reward Element, as per **Appendix 1**;
 - (b) ensure that the highest priority is given to all RE targets to ensure that stretch targets are achieved;
 - (c) particular attention is paid to those targets marked as ‘high’ priority;
 - (d) ensure all indicators contained within the LAA Reward Element receive the most stringent and regular monitoring where possible;
 - (e) investigate areas of under performance in their relevant target areas and ensure everything is done in order to achieve the maximum reward grant possible.

Reasons

5. The recommendations are supported by the following reasons :-
- (a) To maximise the potential Reward Element Grant payable to the local authority, as accountable body, on behalf of Darlington Partnership.
 - (b) To generate funding for further investment into partnership activities in subsequent years.

Lorraine O'Donnell
Assistant Chief Executive

Background Papers

‘Young People – Our Future’ Darlington’s Pilot Local Area Agreement 2006-2009

John Bosson: Ext 2016

S17 Crime and Disorder	Certain of the Reward Element Targets have a direct impact upon crime and disorder, anti-social behaviour and youth justice
Health and Well Being	Certain of the Reward Element Targets have a direct impact upon the health and well being of the community
Sustainability	Certain of the Reward Element Targets have a direct impact upon the sustainability agenda
Diversity	This report will not have an impact on Diversity
Wards Affected	The LAA (Reward Element Targets) affect all wards
Groups Affected	All people are affected by this process equally
Budget and Policy Framework	This report does not recommend any change to the Budget or Policy Framework
Key Decision	This is not a key decision
Urgent Decision	This is not an urgent decision
One Darlington: Perfectly Placed	The delivery of Reward Element targets will contribute directly to the implementation of the Sustainable Community Strategy

MAIN REPORT

Information and Analysis

Financial Information

1. The council would be expected to claim its Performance Reward Grant around Christmas 2009, with half the due PRG being paid before the end of the financial year 2009-10 and the other half in 2010-11. Half the reward is paid as capital and half as revenue. The claim will establish the total grant due, and the Department for Communities and Local Government will pay out the first half on that basis. Each of the twelve targets is worth approximately £233,000 should the stretch target be attained. However, it is worth noting that should 60% or more of the stretch target be achieved, the Council 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.

Performance scorecard

2. The LAA is monitored via *PerformancePlus*. The following scorecard gives the end of year position based on 2007/008 actuals against 2007/08 targets.

Target	Heading	Performance against 2007/08 targets
1	Improving Educational Attainment at Key stage 3 (English)	●
2	Reducing the number of pupils leaving full-time education without achieving any qualifications	★
3	Reducing total absence in primary and secondary schools	●
4	Reducing the number of fixed and permanent school exclusions	▲
5	Staying healthy – participation in school sport & take up of vaccinations	●
6	Increasing the percentage of people feeling safe	▲
7	Reducing the number of first time entrants into the Youth Justice System	★
8	Cleaner, Safer, Greener Public Spaces	★
9	Reducing smoking during pregnancy and in our most deprived wards	●
10	Increasing the numbers of mothers breastfeeding	●
11	Improving the stability of Children Looked After	★
12	Reducing the number of 16-18 year olds not in education, employment or training	▲

3. This scorecard gives a mixed picture of performance, with four targets having exceeded 2007/08 expectations, five being within tolerance and three being below tolerance.
4. However, this scorecard only reveals performance against targets. Now that we are in the last year of the LAA it is prudent to examine actual performance against the LAA stretch indicators. The table in **Appendix 1** demonstrates how much performance reward grant would have been achieved had the LAA been judged against 2007/08 actuals, and pessimistic and optimistic projections of the potential Performance Reward Grant payable in 2008/09.
5. It should be noted that Appendix 1 is for information only – Performance Reward Grant is only won on 2008/09 actual information.

Performance Analysis

6. Appendix 1 shows that should the LAA have been assessed against 2007/08 actual data, the reward grant achieved would have been approximately £1,063,000, i.e. 38% of the total grant available. The data analysis gives a more realistic picture than if simply assessing performance against 2007/08 targets. As a result, the target areas in Appendix 1 have been risk assessed against trend in performance, performance still needed to achieve the reward grant, etc. A summary of this information is as follows:

Target area	Risk Assessment (Chance that Reward Grant will not be achieved)
Improving Educational Attainment at Key stage 3 (English)	MEDIUM
Reducing the number of pupils leaving full-time education without achieving any qualifications	MEDIUM
Reducing total absence in primary and secondary schools	MEDIUM
Reducing the number of fixed and permanent school exclusions	HIGH
Staying healthy – participation in school sport & take up of vaccinations	LOW
Increasing the percentage of people feeling safe	HIGH
Reducing the number of first time entrants into the Youth Justice System	LOW
Cleaner, Safer, Greener Public Spaces	LOW
Reducing smoking during pregnancy and in our most deprived wards	MEDIUM
Increasing the numbers of mothers breastfeeding	MEDIUM
Improving the stability of Children Looked After	LOW
Reducing the number of 16-18 year olds not in education, employment or training	HIGH

7. Four target areas are classified as low risk. These are the staying healthy, youth justice, cleaner, safer, greener public spaces and stability of children looked after targets. These four targets have good performance to date, with a number of core elements having already surpassed the stretch required for PRG purposes. It is envisaged that these target areas require no, or only limited intervention, and quarterly monitoring will suffice.
8. Five target areas have been classified as ‘medium’ risk as follows:
- i) Improving Educational Attainment at Key stage 3 (English) – An improving trend on baseline but currently delivering below the payment threshold.
 - ii) Reducing the number of pupils leaving full-time education without achieving any qualifications – An improving trend but small numbers involved make for volatile potential shifts and only measured annually.
 - iii) Reducing total absence in primary and secondary schools – historically a problem area for Darlington. Recent improvements however are encouraging and need to be sustained.
 - iv) Reducing smoking during pregnancy and in our most deprived wards – Marked improvement during pregnancy but currently below payment threshold for 4-week quitters from deprived communities and an area for potential intervention.
 - v) Increasing the numbers of mothers breastfeeding – reasonable to good rates in the early days and weeks but performance tailing away thereafter. Targeted interventions may be warranted.
9. The targets relating to increasing the percentage of people feeling safe and reducing the number of fixed and permanent school exclusions are both under performing. Whilst it is not impossible for these targets to deliver in the final year (note that it is academic year data which will inform the latter) on current performance this seems unlikely. Both have been assessed as ‘high’ risk, the more so in recognition that delivery of the stretch is not within the hands of a single agency.
10. The remaining target classified as ‘high’ risk; i.e. reducing the number of 16-18 year olds not in education, employment or training though problematic is not felt to be irredeemable. Efforts should be focused on this target area, and the five targets classified as medium risk, to help achieve the stretch targets. Responsible sponsors and lead officers for these six target areas are as follows:

Target	Risk	Cabinet Lead	Sponsor	Lead Officer
Improving Educational Attainment at Key stage 3 (English)	MEDIUM	Cllr McEwan	Murray Rose (DBC)	Julian Kenshole (DBC)
Reducing the number of pupils leaving full-time education without achieving any qualifications	MEDIUM	Cllr McEwan	Murray Rose (DBC)	Julian Kenshole (DBC)
Reducing total absence in primary and secondary schools	MEDIUM	Cllr McEwan	Murray Rose (DBC)	Julian Kenshole (DBC)
Reducing smoking during pregnancy and in our most deprived wards	MEDIUM	Cllr Scott	Miriam Davidson (PCT)	Ken Ross (PCT)
Increasing the numbers of mothers breastfeeding	MEDIUM	Cllr Scott	Miriam Davidson (PCT)	Ken Ross (PCT)
Reducing the number of 16-18 year olds not in education, employment or training	HIGH	Cllr Williams	Chris Livingstone (Job Centre Plus)	Lynn Kilpatrick (DBC)

Conclusions

11. Should the required stretch in these six target areas be achieved, and the four areas classified as low risk, the area would net approximately £2.2m; or 78% of the available reward grant. This amount includes writing off the feeling of safety target (stretching perception survey result) and the educational exclusion target. Should one of these areas exceed expectations, then more reward grant would be achieved.
12. Achieving a substantial reward grant of £1.8 to £2.2m is still eminently possible as we enter the final year for LAA. This is against a national backdrop where performance reward grants paid by Central Government average around 60%. Cabinet is asked to ensure that the targets contained within this report are given the highest possible priority this year and that every effort is made to achieve the stretch targets as outlined.

Outcome of consultation

13. Partners have been consulted over the contents of this report and are supportive of the planned approach to maximising the potential Reward Grant through targeted partnership working.