

LOCAL AREA AGREEMENT PERFORMANCE REWARD GRANT

1. Executive Summary

- 1.1. The purpose of this report is to provide Cabinet with the latest position on the expected performance reward grant (PRG) for Wirral's 2005-2008 LAA stretch targets. The report also outlines the position regarding use of the performance reward grant which is expected to be received, based upon most recent forecast performance information.
- 1.2. £7.589m is expected to be achieved in performance reward grant which equates to 77% of the £9.824m available. This figure is based upon previous, current and expected performance against the LAA stretch targets.
- 1.3. The stretch targets have been reviewed in terms of the contribution partners have made to their delivery, and it has been proposed that following the deduction of support costs and a contribution to the community and voluntary sector (the "Network"), the remaining amount of reward received is apportioned according to the contribution made to achievement. Based upon these calculations, the council would expect to receive a total of £5.742m in revenue and capital over two years.

2. Background

- 2.1. Wirral adopted its first LAA in April 2006 and simultaneously signed off 12 stretch targets to be delivered in partnership. The 12 stretch targets are measured by 22 performance indicators with the successful achievement of the targets attracting performance reward grant at the end of the stretch target period. The total PRG available is £9.824m.

3. Performance Reward Grant Allocations

- 3.1 The Local Area Agreement Programme Board has received regular reports on the performance of the stretch targets, and information from these reports has been communicated to Cabinet. Previous reports to the board have predicted the expected PRG to be in the region of between £8.064m to £8.440m. A review of all the stretch targets was completed under the direction of the Deputy Chief Executive in September 2008 to obtain a robust and accurate picture of the stretch target performance, discuss any risks identified, and to drive any further improvements which can be made to maximise the PRG available.
- 3.2 The current expectation of £7.589m is considered to be a more accurate estimate as it is based on more recent data and forecast information. The reasons for the full amount of £9.823m not being achieved are outlined below:
 - i. Retention of drug users target will not be met due to issues over the methodology for this indicator. Wirral has a high proportion of problem drug

users in treatment and retains a high percentage; there is a declining number still to be engaged and therefore a declining number to be retained. **£573k will not be achieved.**

- ii. Older people helped to live at home target will not be met due to changes in the provision of services that were unforeseen during the target setting and negotiation period. **£409k will not be achieved.**
- iii. BME smoking cessation target is expected to reach 60% of the stretch target. **£327k reward is expected to not be achieved.**
- iv. Young people not in education, employment and training targets will not be met. **£818k will not be achieved.**
- v. The Department for Work and Pensions no longer produce the performance information as specified in Wirral's LAA stretch target guidance for attendance allowance and pension credit claimants' indicators; therefore current performance levels are unclear for these two stretch target indicators. **£106,422 potential PRG has also not been included in the expected figure whilst a decision is awaited from Government Office for the North West.**

3.3 All other targets are expected to be achieved in full.

3.4 Performance Reward Grant (PRG) for the achievement of stretch targets is payable 50% revenue and 50% capital over two years (2009/10 and 2010/11).

3.5 It has been agreed by the LAA Programme Board that a portion (£450k) of the PRG received is top-sliced to cover costs for Wirral Council providing financial, performance management and secretariat support over the three year LAA period. The LAA Programme Board also agreed that the £200k funding provided by Wirral Council in addition to Pump Priming Grant to fund stretch target activity is recovered from the PRG awarded to the partnership upon achievement of the stretch targets. A contribution (£100k) was also agreed to be awarded to the community and voluntary sector (the "Network") from the overall PRG received. The PRG received will therefore be top-sliced by £750k.

3.6 The stretch targets have then been reviewed in terms of the contribution partners have made to their delivery, the following apportionment has therefore been agreed by the LAA Programme Board to be spent within Wirral by the following organisations / partnerships:

Organisation / Partnership	£ allocated	% allocated
Wirral Council	£5,092,256	74.46%
Wirral Primary Care Trust	£856,067	12.51%
Wirral Crime and Disorder Reduction Partnership	£845,528	12.36%
Wirral Drug and Alcohol Action Team	£44,899	0.66%
Overall	£6,838,750	100%

The figures in the table above are provisional based upon the current forecast position at Quarter 2, as reported to the LAA Programme Board at their meeting on

19th November 2008. These figures may therefore be revised should the final position be different to that which is forecast at this stage.

4. Financial implications

- 4.1. Subject to the achievement of the LAA targets a projected reward grant of £6.8 million is anticipated over the financial years 2009/10 and 2010/11. The grant is 50% revenue / 50% capital, and after the agreed 'top-slicing', the amount available for Council revenue in 2009/10 is £1.4 million. This was agreed by Cabinet on 10 December 2008 and built into the Projected Budget for 2009/10.
- 4.2. As mentioned in Section 3, the financial information provided in this report indicating the amount of PRG Wirral Council is expecting to receive is based upon the current forecast position, and is therefore subject to change.

5. Staffing implications

- 5.1. There are no staffing implications for Wirral resulting from this report.

6. Equal Opportunities implications

- 6.1. There are no equal opportunities implications for Wirral resulting from this report.

7. Community Safety implications

- 7.1. There are no community safety implications for Wirral resulting from this report.

8. Local Agenda 21

- 8.1. There are no environmental implications for Wirral resulting from this report.

9. Planning implications

- 9.1. There are no planning, land use etc. implications for Wirral resulting from this report.

10. Anti-poverty implications

- 10.1. There are no implications for people from deprived communities in Wirral resulting from this report.

11. Social inclusion implications

- 11.1. There are no implications that will potentially exclude individuals or groups from accessing services resulting from this report.

12. Local Member Support implications

- 12.1. There are no issues mentioned in the report that are particularly relevant to a ward or small number of wards. The impact will be felt across the whole borough.

13. Background Papers

- 13.1. "Projected Budgets 2009-2011" 10th December 2008.

13.2. "Council Summons" 15th December 2008.

14. Recommendations

That

- (1) the amount of performance reward grant expected and the financial implications set out in section 4 of this report be noted;
- (2) as Wirral Council is the accountable body for the Local Area Agreement, the LAA Programme Board's recommendations for the apportionment of performance reward grant as set out in section 3 of this report be approved.

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