

Item No. 6	Classification: Open	Date: 18/01/06	MEETING NAME Executive
Report title:		2 nd Generation Public Service Agreement (PSA)	
Ward(s) or groups affected:		All	
From:		Sarah Naylor, Assistant Chief Executive	

RECOMMENDATION(S)

1. That Southwark's 2nd Generation Public Service Agreement (PSA), as set out in Appendix 1, be agreed.
2. That Chief Officers be authorised to agree, with the Office of the Deputy Prime Minister and other government departments, on minor changes to the outstanding targets.
3. That the Executive agrees that part of any reward grant achieved on the Healthy Schools sub-indicator should be used to incentivise schools e.g. be allocated to the School Networks.
4. That officers put in place action plans and performance management arrangements for the delivery of the PSA targets.
5. That progress against the PSA targets is incorporated into the Quarterly Performance Reports to the Executive.

BACKGROUND INFORMATION

6. Southwark Council's first PSA was focused on Youth and ended in 2005. The final audit of performance is taking place and final outturns and performance Reward Grant will be reported to a subsequent meeting of the Executive.
7. The Executive agreed Southwark's priorities for improvement for submission to the government, in July 2004. The Executive agreed the specification of our proposed indicators for submission to the government, in November 2004. Detailed negotiations, with the government, have been taking place on the specification of indicators and then on the baselines and targets.
8. The final agreement should have been signed by February 2005 and the PSA should have commenced in April 2005 but the government have found that their proposed timetable was not viable.
9. Negotiations are continuing with the government over the detail of the proposed targets.
10. Once the final negotiations are concluded the Leader and Chief Executive will formally sign the agreement on behalf of the Council and appropriate ministers on behalf of the Government.
11. It is expected that the final negotiations will be completed by the end of January.

12. The PSA will be supported financially by a Pump Priming Grant of about £1m paid at the start of the agreement. The Pump Priming Grant can be used for projects that support the delivery of the targets. The money will be divided between the 12 targets and will be used over the three years of the agreement.
13. A Performance Reward Grant of up to £10m (2¹/₂% of the Council's base year net revenue expenditure) is available for achieving the PSA targets. The reward grant would be divided equally between the targets.
14. Performance Reward Grant (PRG) will be split as half revenue and half capital and paid across the two financial years following the end of the PSA (2008/09 & 2009/10).
15. Other than the revenue / capital split there is no ring fencing on what the reward grant can be used for.

KEY ISSUES FOR CONSIDERATION

16. PSAs are now being incorporated into Local Area Agreements as a 'stretch element. Authorities that had not already commenced negotiations in 2004/05 will not have a separate 2nd Gen PSA. We may be expected to incorporate 2nd Generation PSA targets into our Local Area Agreement when it is negotiated during 2006/07.

Policy implications

17. The indicators set out in Appendix 1 are focused on local priorities within each of the Council's Strategic Priorities.

Community Impact Statement

18. The final PSA should lead to improved services, in those service areas included.
19. An Equality Impact Assessment is being undertaken on the proposed PSA Targets, the initial scoping exercise did not highlight any adverse impact on particular communities or groups.
20. Some of the PSA targets will however focus on disadvantaged groups. There will therefore be a differential impact on some groups, though these will need to be considered in the context of the overall service approach. These impacts will be further examined in the ongoing Equality Impact Assessment and will also be fed into any relevant service based Equality Impact Assessments.
21. The action plans for the delivery of the PSA targets will address any issues highlighted from the Equality Impact Assessment.

Resource implications

22. The PSA will be supported financially by a Pump Priming Grant of about £1m paid at the start of the agreement. A Performance Reward Grant of up to £10m (2¹/₂% of the Council's base year net revenue expenditure) is available for achieving the PSA targets.

Consultation

23. Partners have been consulted, as part of the negotiations over appropriate indicators to pursue in a 2nd Generation PSA.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
LPSA 2G Building on Success: A guide to the second generation of local public service agreements, By ODPM	Corporate Policy Southwark Town Hall Peckham Rd London SE5 8UB	Jon Horne 020 7525 7251
London Borough of Southwark, 2 nd Generation Local Public Service Agreement, Stage One Submission – July 2004: Southwark’s Priorities for Improvement	Corporate Policy Southwark Town Hall Peckham Rd London SE5 8UB	Jon Horne 020 7525 7251
London Borough of Southwark 2 nd Generation Local Public Service Agreement Stage Two Submission – December 2004 Southwark’s Specification of Indicators	Corporate Policy Southwark Town Hall Peckham Rd London SE5 8UB	Jon Horne 020 7525 7251
London Borough of Southwark 2 nd Generation Local Public Service Agreement Stage Two Submission – April 2005 Southwark’s Specification of Indicators	Corporate Policy Southwark Town Hall Peckham Rd London SE5 8UB	Jon Horne 020 7525 7251

ADDENDICES

Appendix No.	Title
Appendix 1	Draft 2 nd Gen Public Service Agreement

Audit Trail

Lead Officer	Sarah Naylor, Assistant Chief Executive	
Report Author	Jonathan Horne, Corporate Policy Officer	
Version	<i>Final</i>	
Dated	<i>10th January 2006</i>	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Borough Solicitor & Secretary	Yes	N/A
Chief Finance Officer	Yes	Yes
<i>List other Officers here</i>	Chief Officers	Yes
Executive Member	Yes	N/A
Date final report sent to Constitutional Support Services	10 th January 2006	