

By: Paul Carter: Leader of the Council
Nick Chard: Cabinet Member for Finance

To: Cabinet –20 April 2009

Subject: **Performance Reward Grant: Kent Agreement 1**

Classification: Unrestricted

Summary: Members are asked to Note:

1. The first claim for Performance Reward Grant associated with Kent Agreement 1 amounts to £17.75m across all Kent Partners.
2. Kent County Council's estimated share of this is in the region of £9.0m.
3. That a second and final Performance Reward Claim will be made in December 2009. This will be in the region of £4.8m - £8.5m across all Kent Partners, of which KCC's share should be between £3.1m - £5.3m.
4. Members of Kent County Council and partner representatives on the Kent Partnership congratulate staff involved in the successful delivery of Kent Agreement outcomes.

For Information

1. Introduction

1.1 Kent Agreement 1 (KA1) ran for the duration April 2005 – March 2008. Included within KA1 were 14 targets that formed the second generation 'Local Public Service Agreement' (LPSA). It is these 14 LPSA targets that were designated for 'Performance Reward Grant' (PRG).

1.2 The maximum potential PRG was £35,952,275. This was calculated as 2.5% of the county's net budget requirement (county and district) for 2004/05.

2. PRG claimed in January 2009

2.1 KCC, as the Responsible Local Authority, submitted a first claim for PRG to the Government Office for the South East according to the procedures set down by Communities and Local Government (CLG). At the time of submitting this PRG claim KCC was able to include PRG only for those targets that had final and audited performance data. Appendix 1 lists the 14 LPSA targets and the PRG that has been claimed for each target. A

second and final claim for PRG will be made before the end of this calendar year.

2.2 The following are the headlines of the PRG claim:

PRG included in the first claim	£17,750,770	49.4%
PRG that has been lost (failed to achieve required performance threshold)	£8,882,775	24.7%
PRG which is still pending (if success is confirmed PRG will be claimed in Dec 2009)	£9,318,730	25.9%
TOTAL	£35,952,275.	100%

3. Allocation of PRG claimed

3.1 In December 2005, shortly after KA1 was signed, an agreement was made by all partners to KA1 setting out the lead partner and contributing partners for each target and how PRG would be allocated between partners who have contributed to the success of individual targets.

3.2 Discussions on the allocation of PRG have taken place between partners involved in the delivery of each target, guided by the Dec 2005 agreement. A report was agreed at the Kent Public Service Board on 16 March 2009 which set out proposed allocations to Kent County Council, District based Local Strategic Partnerships, District Councils, Kent Police, Kent and Medway Fire and Rescue and Primary Care Trusts.

3.3 Kent County Council's share of this is in the region of £9.0m.

4. Second PRG Claim

4.1 A second and final Performance Reward claim will be made in December 2009. This will be in the region of £4.8m - £8.5m across all Kent Partners. The sum claimed will depend upon final performance data which is still unknown for some outcomes.

4.2 KCC can expect to receive in the region of £3.1m - £5.4m from this second Performance Reward claim. This will be dependent upon final performance data and discussions with other contributing partners. Indeed the £5.4m figure may be exceeded, subject to the allocation of PRG in respect of target 6 for skills and vocational qualifications, if KCC has taken over these functions from the LSC by then.

5. Notable Success

5.1 Successful achievement of so many Kent Agreement 1 outcomes and the improvement in services that it represents is excellent news and the partners, teams and individuals who have delivered this success need to be congratulated. Receipt of an additional and un-hypothecated resource of nearly £18m into Kent to invest in services for the residents of Kent is excellent news. This sum will be bolstered by a further £4.8m - £8.5m that will be claimed in December 2009.

6. Recommendations

Cabinet is asked to:

- (i) NOTE and SUPPORT the contents of the report.
- (ii) Congratulate staff involved in the successful delivery of Kent Agreement outcomes.

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LPSA Reward Targets and amount claimed in January 2009

Target		Claimed £k	Lost £k	Pending £k
1	Early years education	494	1,226	847
2	Primary school achievement	nil	nil	2,568
3	Looked After Children educational achievement	nil	1,674	725
4	CAMHS	2,568	nil	nil
5	Primary school attendance	nil	2,568	nil
6	Skills & vocational qualifications	nil	nil	2,568
7	Empty properties	2,239	328.70	nil
8	Incapacity benefit	513	1,216	838
9	Vulnerable people living independently	2,568	nil	nil
10	Physical activity and healthy living	796	nil	1,771
11	Older people – hospital admissions	2,568	nil	nil
12	Road casualties	2,536	199	nil
13	Clean Kent	2,182	385.20	nil
14	Safe Kent	1,284	1,284	nil
Total		£17,751	£8,883	£9,319