

**REPORT TO: STOCKPORT PARTNERSHIP BOARD – 15 SEPTEMBER 2009  
FROM: CORPORATE DIRECTOR, BUSINESS SERVICES, STOCKPORT MBC**

**LAA PERFORMANCE REWARD GRANT**

**PART A**

1. The first Local Area Agreement (LAA) for Stockport came to an end in March 2009. This agreement included 11 reward targets for which Stockport is anticipating receipt of around £6.6m of Performance Reward Grant (PRG), around 86% of the maximum available. This grant will be paid in two instalments over the financial years 2009/10 and 2010/11 and will be split 50:50 revenue to capital.
2. The exact amount of PRG earned will only be known when the performance against reward targets is audited and agreed, this could result in the amount of money not being confirmed until towards the end of the financial year
3. As part of the negotiation process for the first LAA, the Stockport Partnership (Board) at a meeting in January 2006 agreed a set of principles to guide the allocation of PRG.

*The main principle proposed to guide the allocation of PRG is that:*

- *The Stockport Partnership (Board) will be responsible for agreeing the allocation of LAA performance Reward Grant, which will be used to support Community Strategy priorities.*

*Other suggested guiding principles:*

- *The Stockport Partnership (Board) will commission the thematic partnerships to deliver service/activity funded through PRG.*
- *The thematic partnerships will be accountable for delivery to the Stockport Partnership (Board).*
- *The Stockport Partnership (Board) will be advised by the thematic partnerships on investment priorities.*
- *The Stockport Partnership (Board) may wish to retain accountability for delivering identified 'cross-cutting' priorities, where this is more appropriate than commissioning a specific thematic partnership with delivery.*
- *Allocation of PRG to the thematic partnerships is not a strict arithmetic allocation based upon number of stretch targets being delivered by the respective partnerships.*
- *PRG will not be required to be invested in new, additional activity but where appropriate, may be used to enable retention/continuation of existing priority services/activity.*
- *LAA stretch targets have no additional priority for continued funding through PRG.*

- 4 At its meeting on 18 March 2008 the Stockport Partnership Board agreed to top-slice £1m of the revenue element of the PRG to support the work of the Partnership through establishment of a Partnership Office. This funding will be made available over a minimum of a five year period – i.e. circa £200k per annum – starting in 2009/10. It is planned that this PRG allocation will fund three posts, including a partnership manager, and partnership running costs, such as events and communication activities. It was also agreed that the remainder of this funding is to be used to (i) support the new Local Area Agreement and if there is sufficient resource remaining to (ii) support other initiatives across the partnership.
- 5 Therefore, net of the £1m earmarked for the partnership office, the current forecast of the PRG monies available for allocation is as follows

	2009/10	2010/11	Total
	£m	£m	£m
Revenue	1.150	1.150	2.300
Capital	1.650	1.650	3.300
Total	2.800	2.800	5.600

- 6 In addition, the Boost Taskforce supported the earmarking of £0.190m of capital PRG to fund the establishment of three Stockport Boost Centres for skills. This reduces the capital monies available in respect of 2009/10.

## **PART B**

- 7 The 'new' LAA was signed off in June 2008 and was 'refreshed' in March 2009. It contains a number of designated and local performance indicators that have been agreed by the Stockport Partnership and Government Office (GONW). In setting the targets lead partner officers and thematic partnerships were required to reflect current and planned budget allocations; but they have also been asked to risk assess the targets and identify those areas which may require additional actions / resources, particularly in the light of performance during 2008/09 and the early part of the current year.
- 8 The 2008/09 Partnership Annual Report highlighted a number of risks to delivery of specific targets and the 2009/10 first quarter performance report to the LAA Core Group also identified areas of concern. Thematic partnerships have been asked by the Partnership Board to consider what steps could be taken to address the challenges, including the potential use of PRG. Indicators for which targets are currently under pressure should be seen as top priority when considering how PRG may be deployed to support the current LAA.
- 9 Given that the PRG money will only become available at the end of the current year it is also advisable to look ahead and assess future risks to the

achievement of Community Strategy priority outcomes and LAA performance targets, including the ongoing impact of the economic recession. Furthermore, the emerging findings of the CAA area assessment will need to be taken into account when considering partnership priorities for the next few years.

- 10 In the run up to this Board meeting discussions have been held with representatives from all thematic partnerships with a view to identifying, in broad terms, those areas which could be considered as priorities for the use of PRG monies over the next two years, both capital and revenue. A summary of the key issues raised is given in Part C of the report meeting. It is suggested that the discussion at this meeting should be followed by further consideration before the board meeting in December makes firm recommendations.
- 11 It may be that consideration should be given at this meeting, on an exception basis, to the early earmarking of PRG in respect of issues that are considered in urgent need of financial support.
- 12 With all this in mind thematic partnership representatives have been asked to identify in their presentation to the Board those LAA indicators and other community strategy priorities that they believe should be considered for possible PRG allocation. Reference should be made, in particular, to those LAA indicators previously highlighted as being high risk and for which currently forecast performance is below target.

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## **PART C**

- 13 The seven meetings with thematic partnership representatives have now taken place. The emerging issues were discussed at the PSCCB meeting on 2 September and comments made at that meeting have been incorporated below. As mentioned above each thematic partnership has been asked to make a brief presentation to the Partnership Board which outlines the progress made over the past year and highlights key current and future issues, risks and opportunities, including those areas that may benefit from PRG investment.
- 14 What is not desirable at this stage is a 'shopping list' of projects and other initiatives. Rather, the Partnership Board is encouraged to hear what each thematic partnership has to say and then begin to take a view on the priority areas for investment that it considers best support community strategy and LAA outcomes. Furthermore, as the financial prospects for partner organisations over the next few years are fairly bleak it will be important for the PRG money to be used judiciously over time. Ideally perhaps a programme of spending the PRG money over, say, three or four years could be developed. This would also allow for the identification of areas for investment which may emerge over the next year or two.

- 15 During the recent discussions the following issues have emerged which could become a set of general principles for the Partnership Board to consider:

PRG could / should not be applied

- necessarily to brand new projects / initiatives
- in a way that creates future liabilities and over commitments
- in full in the short term

PRG could / should be applied in a way which

- demonstrably contributes towards the achievement of priority outcomes set out in the Community Strategy / LAA
- supports 'core' services, particularly where funding is under most threat
- supports key areas where alternative funding is reducing / not available
- consolidates existing good, successful practice
- promotes innovation and reform
- facilitates transformation, including service re-design and invest to save
- supports cross cutting priorities
- encourages cross partnership working
- engages all sectors
- achieves both short term gains and longer term improvements
- promotes community engagement (e.g. participatory budgeting?)

- 16 Without getting into too much detail a number of emerging broad priority areas for investment have been identified during the discussions, including

- Ongoing effects of the economic downturn, especially worklessness
- Youth unemployment, in particular 18-24 yr olds
- Adult skills
- Stockport Employment Programme
- More healthy lifestyles
- Tackling inequalities
- Reducing carbon emissions
- Systems to support data sharing (Local Information System)
- Development of area / neighbourhood working arrangements

In all the meetings it was acknowledged that there was a great deal of overlap and synergy between the thematic partnerships, and people were keen to ensure that a joined up approach could be taken to dealing with the big issues. It was also acknowledged that there may be tensions between some of the priorities (e.g. economic and environmental).

- 17 While the majority of ideas for PRG involve revenue spending more than half of the available money is for capital purposes. While there may be some scope to 'swap' capital for revenue there will be a need to identify capital projects within the PRG programme. Areas put forward so far include;

alleygating, CCTV, mechanical sweepers, bringing vacant properties into use, 'move on' work spaces, information systems and schemes within the Brinnington master plan. It may be that a form of 'participatory budgeting' could be appropriate for allocating relatively modest amounts of capital funding throughout the Borough in a targeted manner.

## **RECOMMENDATION**

- 18 The Partnership Board is asked to consider the issues raised in the report, in conjunction with the presentations made by Thematic Partnership representatives, and to:
- a) establish a set of principles to guide the future allocation of PRG (with reference to paragraphs 3 and 15);
  - b) agree a broad timeframe for the utilisation of PRG;
  - c) comment on the priority areas identified in the report and the presentations and identify those which it considers to be the highest priority for PRG allocation in the shorter term; and
  - d) ask for proposals for initial allocations to be submitted to the Board meeting in December

Steve Houston