

**IMPLEMENTATION EXECUTIVE
13 MAY 2009**

**RECOMMENDATIONS FROM THE PUBLIC SERVICE BOARD - USING
PERFORMANCE REWARD GRANT TO SUPPORT WILTSHIRE'S AMBITIONS**

Executive Summary

This report asks the Implementation Executive to support recommendations made by Wiltshire's Public Service Board on the use of £5.4m of Performance Reward Grant to support the achievement of Wiltshire's ambitions and to help combat the economic recession in Wiltshire.

Proposal

That the Implementation Executive supports the use of Performance Reward Grant to:

- a. Honour the commitment to reinvest up to £1,557,120 (paid over 2 years) in successful LPSA target areas that take forward Wiltshire's ambitions.
- b. Use grant to support some initiatives to combat the recession (please see separate report on this agenda). A sum of £1m over two years could be set aside, subject to suitable bids.
- c. Fund bids from the new Area Boards for initiatives in the local community which will command local support and contribute to the achievement of the Local Agreement for Wiltshire, or to combat the recession.

Reason for Proposal

This represents a unique opportunity for us to put additional resources into our Local Agreement for Wiltshire (LAW) and to help combat the recession. Applying the resources at a local level we can build local support and commitment to addressing the ambitions for Wiltshire contained in the LAW.

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RECOMMENDATIONS FROM THE PUBLIC SERVICE BOARD – USING PERFORMANCE REWARD GRANT TO SUPPORT WILTSHIRE’S AMBITIONS

Purpose of Report

1. This report asks the Implementation Executive to support recommendations made by Wiltshire’s Public Service Board on the use of Performance Reward Grant to support the achievement of Wiltshire’s ambitions and to help combat the economic recession in Wiltshire.

Background

2. Wiltshire agreed a three year Local Public Service Agreement (LPSA) with government that ended in March 2008. This contained 12 ‘stretch’ (difficult) targets that required a number of organisations to work together to achieve the improvement.
3. Our performance against these targets has resulted in Wiltshire being eligible for Performance Reward Grant (PRG) of £5.4m. This is paid over two years; £2.7m in March 2009, and £2.7m by the end of 2009/10. The conditions that relate to this grant are shown in the section Financial Implications.
4. During the LPSA, the County Council and the Wiltshire Strategic Board (now replaced by Wiltshire Council and the Family of Partnerships) agreed that some of the PRG earned should be reinvested in those target areas that earned the grant, as an additional incentive to achieve ‘stretch’ performance:
 - Up to £250,000 for 100% achievement of the ‘stretch’.
 - Achievement of between 60% and 99% of the ‘stretch’ would earn the appropriate proportion of £250,000. No PRG is received from government for achievement below 60%.

The PRG grant conditions (see Financial Implications) would apply to these grants, and proposals would need to show the improvement to be achieved.

5. They also agreed that recommendations would be made to the Council on the use of the balance of Performance Reward Grant.
6. In 2008 a Local Agreement for Wiltshire was developed with partners from across Wiltshire. This is based on 7 ambitions for Wiltshire, derived from significant research and consultation around our Community Strategy. The Agreement shows action that partners have agreed to take on these ambitions, and also includes the targets in Wiltshire’s Local Area Agreement with government. Wiltshire County Council adopted the Local Agreement for Wiltshire as its corporate plan.
7. In 2008/09, Wiltshire’s Local Strategic Partnership, the Wiltshire Strategic Board, was replaced by the Family of Partnerships. This includes the Assembly, the Coordinating Group and the Wiltshire Public Service Board, as well as other thematic and local partnerships. The proposals in this paper are made by the Wiltshire Public Service Board, following meetings of the Assembly and the Coordinating Group.

Main Considerations for the Implementation Executive

8. The £5.4m of Performance Reward Grant presents a unique opportunity for us to put additional resources into our Local Agreement for Wiltshire (LAW) – and if we apply the resources at a local level we can build local support and commitment to addressing the ambitions for Wiltshire contained in the LAW.
9. Subject to the conditions attached to the grant set out in Financial Implications, the Wiltshire Public Service Board recommends that:
 - a. The commitment given by the County Council and the Wiltshire Strategic Board to successful LPSA target areas should be honoured. This means that up to £1,557,120 (paid over 2 years) be reinvested to take forward Wiltshire's ambitions. A report to the Board on bids received is attached.
 - b. We use grant to support some countywide initiatives to combat the recession (please see separate report on this agenda). The proposals have not yet been developed in detail, but early thoughts on areas for this investment are:
 - Business Support
 - Reducing business costs, eg rate relief policy, charges
 - Credit union - pump priming
 - Possible one-off investment in CABA sum of £1m over two years could be set aside, subject to suitable bids.
 - c. The new Area Boards be invited to bid for funding for initiatives in the local community which will command local support and contribute to the ambitions in the Local Agreement for Wiltshire or combat the recession. We will minimise administrative costs to maximise the grant available.

Environmental Impact of the Proposal

10. Wiltshire's ambitions include the Environment and CO₂, and the proposals already received include waste minimisation.

Equality and Diversity Impact of the Proposal

11. The recommended use of this grant will take forward the ambitions agreed in the Local Agreement for Wiltshire, and help combat the effects of the recession in Wiltshire. Proposals so far suggest benefits to a wide range of people, including those that are vulnerable or disadvantaged (a report is attached). Action to help combat the recession and bids from Area Boards are likely to have differing impacts on social groups and on communities.

Risk Assessment

12. The section on Financial Implications suggests including grant conditions requiring organisations to confirm that no unfunded on-going commitments will result from their proposals. It also highlights that we will need to ensure that, in total, the use of the grant meets the government's condition that 50% be spend on revenue and 50% on capital. Proposals will be looked at to see that a measurable improvement is expected, and performance against this will be monitored.

Financial Implications

13. There are two conditions set by government that relate to this grant:
 - Timing - government paid half the grant in March 2009 and will pay the balance by the end of 2009/10.
 - The grant must be spent 50% on capital and 50% on revenue expenditure.
14. In addition, the Wiltshire Public Service Board recommends that the following conditions are imposed:
 - That grant be allocated on receipt of suitable proposals showing what the money will be used for and the intended measurable impact of the grant on performance against the Ambitions in the Local Agreement For Wiltshire or on combating the effects of the recession.
 - That organisations making proposals confirm that they understand that this is 'one-off' money and that the proposal will not result in unfunded on-going commitments. This means that there is a suitable "exit strategy".
15. The government requirement that we spend 50% of the grant on capital could restrict a number of projects. Wiltshire's Chief Finance Officer is working with partners to see if this can be resolved. If not, we will need to ensure that, in total, the proposals approved over time meet this condition.

Legal Implications

16. The actions to be taken forward by the Council are subject to the legal framework for the Council's activities. Any specific issues where clarification is needed will be discussed with Legal services staff.

Options Considered

17. The recommendation is to use this grant to invite bids to take forward Wiltshire's ambitions and help combat the recession in Wiltshire. This approach will support a variety of proposals, both at a county level and in local communities.

Conclusion

18. The proposals in this report provide an opportunity to work at the county level and to engage people at the local community level to help achieve Wiltshire's ambitions and combat the impact of the recession on Wiltshire.

Background Papers

A report to the Public Service Board on Use of this grant is attached.

The Local Agreement for Wiltshire may be found at:

<http://www.wiltshire.gov.uk/council/wiltshirefamilyofpartnershipsworkingtogether/localagreementforwiltshire.htm>