

Annex 2.2

Targets PSAs and LAAs

2.1 Public Service Agreements

The new performance management framework

1. Since their introduction in the 1998 Comprehensive Spending Review (CSR), Public Service Agreements (PSAs) have played a vital role in galvanising public service delivery and driving major improvements in outcomes. Building on this success, over the past two years the Government has been working with frontline professionals, the public and external experts to renew the performance management framework for the next decade.

2. 2007 CSR announces the culmination of this work, with 30 new PSAs setting a vision for continuous and accelerated improvement in the Government's priority outcomes over the CSR07 period.

What are PSAs?

3. New PSAs set out the key priority outcomes the Government wants to achieve in the next spending period (2008-2011).

- Each PSA is underpinned by a single **Delivery Agreement** shared across all contributing departments and developed in consultation with delivery partners and frontline workers. Delivery Agreements are available below and set out plans for delivery and the role of key delivery partners.
- They also describe the small basket of national outcome-focussed **performance indicators** that will be used to measure progress towards each PSA. A subset of indicators also have specific national targets or minimum standards attached, and details are set out in the relevant Delivery Agreement. All other national indicators are expected to improve against baseline trends over the course of the spending period.

4. A Government-wide commitment to build services around the needs of citizens and businesses will be integral to the achievement of each of the PSA outcomes set out above. The Government has also published a Service Transformation Agreement, which underpins delivery of the new PSA framework, setting out the Government's vision for building services around the citizen and specific actions for each department in taking forward this challenging agenda.

5. The PSAs are:

Sustainable growth and prosperity

1. Raise the productivity of the UK economy

2. Improve the skills of the population, on the way to ensuring a world-class skills base by 2020
3. Ensure controlled, fair migration that protects the public and contributes to economic growth
4. Promote world class science and innovation in the UK
5. Deliver reliable and efficient transport networks that support economic growth
6. Deliver the conditions for business success in the UK
7. Improve the economic performance of all English regions and reduce the gap in economic growth rates between regions

Fairness and opportunity for all

8. Maximise employment opportunity for all
9. Halve the number of children in poverty by 2010-11, on the way to eradicating child poverty by 2020
10. Raise the educational achievement of all children and young people
11. Narrow the gap in educational achievement between children from low income and disadvantaged backgrounds and their peers
12. Improve the health and wellbeing of children and young people
13. Improve children and young people's safety
14. Increase the number of children and young people on the path to success
15. Address the disadvantage that individuals experience because of their gender, race, disability, age, sexual orientation, religion or belief
16. Increase the proportion of socially excluded adults in settled accommodation and employment, education or training
17. Tackle poverty and promote greater independence and wellbeing in later life

Stronger communities and a better quality of life

18. Promote better health and wellbeing for all
19. Ensure better care for all
20. Increase long term housing supply and affordability

21. Build more cohesive, empowered and active communities
22. Deliver a successful Olympic Games and Paralympic Games with a sustainable legacy and get more children and young people taking part in high quality PE and sport
23. Make communities safer
24. Deliver a more effective, transparent and responsive Criminal Justice System for victims and the public
25. Reduce the harm caused by Alcohol and Drugs
26. Reduce the risk to the UK and its interests overseas from international terrorism

Note: the Northern Ireland Office (NIO) will mirror PSAs 23 and 24 in Northern Ireland. The delivery agreements will be available from the NIO.

A more secure, fair and environmentally sustainable world

27. Lead the global effort to avoid dangerous climate change
28. Secure a healthy natural environment for today and the future
29. Reduce poverty in poorer countries through quicker progress towards the Millennium Development Goals
30. Reduce the impact of conflict through enhanced UK and international efforts

2.2 Local Area Agreements

6. Local Area Agreements (LAAs) set out the priorities for a local area agreed between central government and a local area (the local authority and Local Strategic Partnership) and other key partners at the local level.

7. LAAs simplify some central funding, help join up public services more effectively and allow greater flexibility for local solutions to local circumstances.

8. Through these means, LAAs are helping to devolve decision-making, to the local level and reduce bureaucracy.

9. They are about setting the strategic direction and focusing on the priorities that will make a town, city or community a better place to be. They::

- recognise that 'one size does not fit all' and local services should reflect what local people want;

- give more flexibility to local authorities and other public sector organisations in the ways they deliver services for local people;
- make local authorities and other public services more accountable to local people;
- reduce red-tape and improve value for money; and,
- enable local people to get more involved in decisions about local services.

New Local Area Agreements

10. The Local Government White Paper 'Strong and Prosperous Communities' published in October last year set out fundamentally different arrangements for Local Area Agreements.

11. Our ambition is for LAAs to provide local authorities and partners with the flexibility and capacity to deliver the best solutions for their areas through a reformed relationship between central and local government.

12. LAAs are at the heart of the new performance framework to create a streamlined and proportionate performance management regime and give local authorities and their partners the freedom and space they need to respond flexibly to local needs and demands. LAAs offer great potential for delivering shared central local priorities, as well as purely local priorities

An overview of new Local Area Agreements (LAAs)

This will mean:

- **more emphasis on area based service delivery** - a package of measures which mean stronger partnership working, alignment of local government performance management arrangements with that of partner agencies and replacement of authority-based inspection with an area-based assessment of risks to service delivery (The Comprehensive Area Assessment);
- **more freedom in spending decisions** - the local authority will be able to make decisions about spending priorities with partners locally without these being conditioned by centrally imposed targets. Budget 07 reinforced the commitments in the Local Government White Paper 'Strong and Prosperous Communities' to reduce the number of specific grants. The presumption will be against ringfencing grants unless there are strong reasons for doing so and these will be made public.
- **fewer central targets and reporting systems** - the new LAAs are part of the new performance framework which includes a single set of national outcomes for local authorities working alone or in partnership, measured through a single set of 198 national indicators - a radical reduction from around 1,200 current indicators. LAAs cover everything local government does on its own or in partnership with others. Each LAA has up to 35 negotiated (designated) alongside 18 statutory education and early years targets. There will be a single annual performance review to examine the

findings of the Comprehensive Area Assessment (CAA) and respond to changing priorities in the area;

13. The Local Government and Public Involvement in Health Act 2007 places a statutory requirement on the local authority to develop an LAA and duties on named partners to co-operate with the authority in agreeing LAA priorities. Councils will also be able to agree local targets with partners that will not need to be reported to central government but which will have the same status as targets negotiated with central government.