

<b>REPORT TO:</b>	Executive Board
<b>REPORT NO:</b>	CLF/15/13
<b>DATE:</b>	9 July 2013
<b>LEAD MEMBER:</b>	Councillor Malcolm King OBE (Policy, Finance, Performance & Governance)
<b>CONTACT OFFICER:</b>	Clare Field, Strategic and Performance Director (Tel: 297420)
<b>SUBJECT:</b>	Outcome Agreement with the Welsh Government 2013-16
<b>WARD:</b>	All

## **1. PURPOSE OF THE REPORT**

- 1.1 To inform the Executive Board about the Welsh Government's amendments to the Outcome Agreement grant for 2013-16, the associated requirements and implications, and for Members to endorse the Strategic Themes and Outcomes to be included within the 'Our Priorities' section of the Agreement.

## **2. EXECUTIVE SUMMARY**

- 2.1 In May 2013 the Welsh Government introduced the next round of Outcome Agreements for 2013-16. As per the current arrangements this grant is worth in the region of £1.3 million annually to the Authority.
- 2.2 Appendix I illustrates how the new Outcome Agreement will be structured and scored. The first part of the agreement, or 'Our Priorities' section, will resemble the current process; however, there will be a requirement to report on progress on an annual basis against 5 outcomes, aligned to the Welsh Governments' 'Programme for Government', instead of the current 10 - 50% of the grant funding will be available for delivering on these outcomes. Appendix II highlights those areas from the 'Programme for Government' that are most pertinent to Wrexham through their links to the Wrexham Single Integrated Plan and the Council Plan.
- 2.3 The second element of the new agreement will consist of a broader evaluation of Local Authority performance and governance. Firstly, the Welsh Government will consider performance against the National Strategic Indicators. They would like to see "a clear majority of these indicators (at least 16 out of 24) in the top quartile for Wales or improving when compared to the previous financial year". If this is not the case they would like to discuss the need for funded support to improve performance.

- 2.4 Secondly, the Welsh Government will consider the standards of corporate and service governance as reflected in the findings of the main regulators and inspectors. If those findings include formal expressions of concern, again, the Welsh Government will want to establish a funded programme of support to address those concerns. Finally those local authorities already in intervention, or which are receiving tailored support to address weaknesses, will have the funding for this intervention diverted from the remaining proportion of their Outcome Agreement grant.
- 2.5 In summary if any sort of support is required to improve performance or address concerns then the remaining 50% of the Outcome Agreement grant money will be diverted to fund this. If this does not apply and the Welsh Government evaluates performance and governance as satisfactory then the Authority will receive the remaining proportion of the grant money in full with no conditions attached.

### **3. RECOMMENDATIONS**

- 3.1 That Executive Board note the new arrangements for the Outcome Agreement with the Welsh Government for 2013-16**
- 3.2 That Executive Board endorse the five Strategic Themes and Broad Outcomes, outlined within Appendix II, from the Welsh Governments 'Programme for Government' for inclusion within the 'Our Priorities' section of the Outcome Agreement**

### **REASONS FOR RECOMMENDATIONS**

To ensure that Wrexham County Borough Council can develop the Outcome Agreement for 2013-16 with the Welsh Government in line with the guidance and by the set deadline.

### **4. BACKGROUND INFORMATION**

- 4.1 In May 2013 the Welsh Government introduced the next round of Outcome Agreements for 2013-16. As per the current arrangements this grant is worth in the region of £1.3 million annually to the Authority. The Welsh Government have noted that the current agreement and related grant act "as a powerful incentive to make real improvements that benefit local people and communities" however "too many Local Authorities are now experiencing real and serious difficulties of corporate and service management. The selection of outcomes and evidence means that not all aspects of delivery and governance are covered". In order to address these concerns the current Outcome Agreement will be replaced with a two-part mechanism with the aim of "maintaining a focus on outcomes whilst also tackling any serious problems in a structured and proactive way".
- 4.2 Appendix I illustrates how the new Outcome Agreement will be scored. The first part of the agreement, or 'Our Priorities' section, will resemble the current process; however, there will be a requirement to choose 5 outcomes to report on annually instead of the current 10. The outcomes will be aligned to the Welsh Governments' 'Programme for Government' with a requirement to use a Results Based Accountability (RBA) approach to demonstrate benefits to local people - 50% of the grant funding will be available for delivering on these outcomes, with grant eligibility determined in a similar way to the current agreement.
- 4.3 To develop the 'Our Priorities' section of the outcome agreement five strategic themes should be chosen that best correspond with the priorities identified through the Wrexham Single Integrated Plan. It is also expected that at least three Programme for

Government indicators be used, supplemented by any key indicators to track the delivery of the relevant sections of the Wrexham Single Integrated Plan. Where a Strategic Theme does not directly link to the Wrexham Single Integrated Plan, the Welsh Government have advised that key outcome areas within the Council Plan may be used.

- 4.4 Appendix II highlights those areas from the 'Programme for Government' that have been identified as most pertinent to Wrexham through their links to the Wrexham Single Integrated Plan and where the related Programme for Government indicators are already being reported on, either as part of the Wrexham Single Integrated Plan or through the Council Plan. Following endorsement of these areas by Executive Board work will take place to develop this part of the agreement in line with the Welsh Government guidance document.
- 4.5 The second element of the new agreement will consist of a broader evaluation of Local Authority performance and governance. Firstly, the Welsh Government will consider performance against the 24 National Strategic Indicators. They would like to see a clear majority of these indicators (at least 16 out of the 24) in the top quartile for Wales or improving when compared to the previous financial year. If this is not the case they would like to discuss the need for funded support to improve performance.
- 4.6 Secondly, the Welsh Government will consider the standards of corporate and service governance as reflected in the findings of the main regulators and inspectors. If those findings include formal expressions of concern, again, the Welsh Government will want to establish a funded programme of support to address those concerns. Finally those local authorities already in intervention, or which are receiving tailored support to address weaknesses, will have the funding for this intervention diverted from the remaining proportion of their Outcome Agreement grant.
- 4.7 In summary if any sort of support is required to improve performance or address concerns then the remaining 50% of the Outcome Agreement grant money will be diverted to fund this. If this does not apply and the Welsh Government evaluates performance and governance as satisfactory then the Authority will receive the remaining proportion of the grant money in full with no conditions attached.
- 4.8 The Welsh Government have confirmed that if they were assessing eligibility based on 2011/12 performance against the National Strategic Indicators and feedback from regulators and inspectors, Wrexham County Borough Council would be eligible for the full Outcome Agreement grant payment with no conditions attached.
- 4.3 **Policy Framework** – The Outcome Agreement is developed using information that is most pertinent to Wrexham and therefore already reported as part of the Wrexham Single Integrated Plan and/or the Council Plan. Monitoring performance is a key element of the Council's Policy Framework.
- 4.4 **Budget** – The Outcome Agreement is worth in the region of £1.3 million annually to Wrexham County Borough Council. If the agreement is not developed within the prescribed timeframe or if performance falls below a certain standard during the agreement period this may affect eligibility to this grant funding. As this money is in the Council's base budget if it were to be reduced or not received at all then this would require cuts to services.
- 4.5 **Legal** – There is a legal requirement to submit performance against the National Strategic Indicators to the Welsh Government on an annual basis. The assessment

against the new Outcome Agreement will take into account performance against these statutory indicators.

4.6 **Staffing** – There are no staffing implications

4.7 **Equality/Human Rights** – The Outcome Agreement is developed using information that is most pertinent to Wrexham and therefore reported as part of the Wrexham Single Integrated Plan and/or the Council Plan. Both of these plans have been equality impact assessed.

4.8 **Risks** – The key risk in this area is that if performance is not at an adequate level which could affect receipt of the grant payment from the Welsh Government. As in previous years key controls are in place, namely robust performance management arrangements and regular consideration by Senior Officers and relevant Lead Members. A formal risk assessment has not been completed. The Wrexham Single Integrated Plan and the Council Plan, which the data within this agreement will be based upon, have both been formally risk assessed.

## 5. **CONSULTATION**

5.1 This new approach has been discussed with Senior Management and relevant Lead Members prior to consideration by the Executive Board.

5.2 The Outcome Agreement is developed using information that is most pertinent to Wrexham and therefore already reported as part of the Wrexham Single Integrated Plan and/or the Council Plan. Both of these plans were developed following extensive consultation with the public, Officers, Members and relevant partnership agencies.

## 6. **EVALUATION OF OPTIONS**

N/A

## 7. **SCRUTINY COMMITTEE COMMENTS**

This matter has not been considered by a Scrutiny Committee

<b>BACKGROUND PAPERS</b>	<b>LOCATION</b>	<b>WEBSITE INFO.</b>

## Scoring of Outcome Agreement Grant 2013-16

	Basis		Evaluation	Max grant	Eligibility
Outcomes	Local authority choice from PfG 'menu' with RBA template. Informed by SIPs / existing collaboration	Outcome 1	Fully successful: 2 points	50%	Pro rata scoring system as now
			Partly successful: 1 point		
			Unsuccessful: 0 points		
		Outcome 2	Fully successful: 2 points		
			Partly successful: 1 point		
Unsuccessful: 0 points					
Outcome 3	Fully successful: 2 points				
	Partly successful: 1 point				
	Unsuccessful: 0 points				
Outcome 4	Fully successful: 2 points				
	Partly successful: 1 point				
	Unsuccessful: 0 points				
Outcome 5	Fully successful: 2 points				
	Partly successful: 1 point				
	Unsuccessful: 0 points				
Performance and governance	Service performance: 2/3 of national strategic indicators in top quartile and/or improving?	Yes	50%	All green then 100%. At least one red then a proportion of grant will be targeted at support.	
		No			
	Governance: formal concerns about corporate / service governance and prospects for improvement?	No			
		Yes			
	Existing intervention or formal tailored support programme?	No			
		Yes			

## Strategic Themes and Outcomes

To develop the 'Our Priorities' section of the outcome agreement the following five strategic themes, highlighted in **bold**, have been chosen that best correspond with the priorities identified through the Wrexham Single Integrated Plan and/or Wrexham's Council Plan. If these areas are endorsed by Executive Board work will take place to develop this part of the agreement in line with the Welsh Government guidance.

Strategic Theme	Broad outcome
<b>Growth and sustainable jobs</b>	<ul style="list-style-type: none"> <li>• <b>Supporting the economy and business</b></li> <li>• Improving Welsh skills for employment</li> <li>• Improving our infrastructure</li> <li>• Creating a sustainable, low carbon economy</li> </ul>
<b>Education</b>	<ul style="list-style-type: none"> <li>• <b>Improving school attainment</b></li> <li>• Developing Welsh medium education</li> <li>• Improve further and higher education</li> <li>• Improving early years' experiences</li> </ul>
<b>21<sup>st</sup> Century Health Care</b>	<ul style="list-style-type: none"> <li>• <b>Ensuring people receive the help they need to live fulfilled lives</b></li> <li>• Providing users and carers with a stronger voice and greater control over the services they receive</li> <li>• Improving health outcomes by ensuring the quality and safety of services is enhanced</li> <li>• Preventing poor health and reducing health inequalities</li> </ul>
<b>Welsh Homes/ Supporting People</b>	<ul style="list-style-type: none"> <li>• <b>Welsh Homes – Improving Quality</b></li> <li>• Welsh Homes – Increasing the supply and choice</li> <li>• Improving Housing Services and Support</li> <li>• Creating a sustainable, low carbon economy</li> <li>• More inclusive and cohesive communities</li> </ul>
<b>Environment and Sustainability/Rural Communities</b>	<ul style="list-style-type: none"> <li>• <b>Living within environmental limits and acting on climate change</b></li> <li>• A thriving rural economy</li> <li>• Ensuring rural communities have access to faster broadband speeds and new digital services</li> <li>• Improving public services for rural communities</li> <li>• Protecting healthy eco-systems</li> <li>• Creating sustainable places for people</li> <li>• Creating a sustainable, low carbon economy</li> </ul>
<b>Safer Communities for All</b>	<ul style="list-style-type: none"> <li>• Reducing the level of crime and fear of crime</li> <li>• Reducing harm associated with substance misuse</li> <li>• Reduction and prevention of young offending</li> <li>• Improving safety in communities</li> <li>• More inclusive and cohesive communities</li> </ul>

<b>Strategic Theme</b>	<b>Broad outcome</b>
<b>Tackling Poverty</b>	<ul style="list-style-type: none"><li>• Poverty and material deprivation</li><li>• Tackling worklessness and raising household income</li><li>• Improving the skills of young people and families</li><li>• Improving the health and educational outcomes of children, young people and families living in poverty</li><li>• Advance equality of opportunity and tackle discrimination</li></ul>
<b>The Culture and Heritage of Wales</b>	<ul style="list-style-type: none"><li>• Improving early years' experiences</li><li>• Strengthening the place of the Welsh language in everyday life</li></ul>