

LEICESTERSHIRE STRATEGIC SENIOR OFFICERS' GROUP
1ST AUGUST 2007

LAA REWARD TARGET RISK ASSESSMENT

Background

1. In March 2007, owing to the significant risks emerging with regard to reward targets after quarter 3 reporting, SSOG requested that a detailed risk assessment be carried out at year end on all reward targets. This would provide SSOG with the best estimate as to where gaps in achieving the target figures for 2009 are predicted. It would also enable SSOG to review its options for improving performance with over a year and a half of the reward target remaining. LAA theme leads were sent a brief for this exercise in May (appendix 1 attached) which consisted of five key areas of focus to generate the risk assessment.
2. Each of the 12 reward indicators will draw down £1.27 million should the target figure be met in full. It will draw down £762k should 60% of the target figure be achieved. In reality some of the 12 indicators are broken down into further sub-indicators (see appendix 2).

Purpose

3. This report summarises the responses to the risk assessment exercise, seeks SSOG comments and proposes some next steps.

Summary of Reward Target Risks

4. The table attached as appendix 2 summarises the results of this exercise. 7 targets (22%) are currently projected to miss the 60% and 100% threshold for reward targets. 11 targets (34%) are projected to miss the 100% threshold and in the case of 14 targets (44%) no gap is being projected. In monetary terms, this equates to a total loss of £4,346,452 (28%) of the potential £15,241,800 available.

Options for Improving Performance

5. Leads officers for the reward targets were asked for options to address any projected gaps in performance and general estimates for costs associated with those options.
6. In terms of possible actions for SSOG in adding value to performance management of these priorities three options present themselves
 - (i) Do nothing

- (ii) Find extra resources for funding improvement activity by reallocating pump priming funding from those priorities where there is little expectation of achieving the targets.
 - (iii) Find new extra resources for improvement activity
 - (iv) A combination of 6.2 and 6.3 above.
7. Before making a final decision on the options SSOG will of course require more detail on the options.

Recommendations

8. It is RECOMMENDED that:-

- (ii) **SSOG notes the results of the assessment as they stand and comments as necessary.**
- (iii) **SSOG gives directions as to which areas it requires more detailed proposals for interventions that have a good prospect of improving performance in the time left before the end point for the targets in 2009.**
- (iv) **SSOG requests the Deputy Head of Finance for LCC to coordinate the investigation of where partners resources might exist in order to fund options for improving performance.**
- (v) **SSOG requests a further report at its October meeting with more detail on the gap analysis, improvement options and resource availability for the priorities it identifies in paragraph 9 above.**

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BRIEF FOR LAA REWARD TARGET RISK ASSESSMENTS

1. Project Mandate

The Leicestershire Strategic Senior Officer Group (SSOG) at its March meeting requested that a risk assessment be carried out against the LAA reward targets which would identify the likely outcome against targets by March 2009 and options for addressing any gaps.

2. Project Management

It is recommended that a small number of people (2 or 3) carry out the assessment with evidence gathered from others as necessary. In terms of members it should include the outcome lead for the relevant indicator and have the involvement of the block lead and block performance lead.

3. Timescales

Report by June 30th

4. Key Steps in Risk Assessment of Reward Targets

1. Data analysis

- Where we are now against the indicators and what has the historical trend been?

2. Current and Planned Intervention

- What are we already doing to hit the target (this should include reference to mainstream activity) and what do we have planned that will impact on the target

3. Trajectory and gap analysis

- What are the likely trajectories under current circumstances and what is the size of any gaps?
- Consider likely changes in need (unlikely to be large in the timeframe)
- Consider risks to planned activity
- Consider trajectory against 60% and 100% threshold.
- Calculate likely reward funding to be drawn down.

If the target is shown to be well on track with little risk after steps 1 to 3 you need not complete steps 4 and 5.

4. Options appraisal

- What are the specific challenges and/or barriers that need further or different attention in order to improve overall performance? Any specific target groups/communities?
- What are the options for the addressing the gaps? Summarise the pros and cons, likely impact of each and estimated costs (if any)

5. Action Plan – Proposals – what preferred option can be recommended to SSOG?

- Do nothing
- Do something – what and costs?

6. Format

In report format following the structure above recording the results of considering the question in each of the steps. Include supporting appendices as necessary.

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17th May 2007
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Appendix 2 - Reward target list and outline of performance reward grant at risk.

Table 1

The table below shows all reward targets and their risk status as at the end of Quarter 4 2006/07. It also shows the value of the reward for each indicator and, based on the risk assessments prepared, a judgement as to whether the indicator will gain all, 60%, or none of the value due to expected performance. (Indicators achieving 60% of their target will lose 40% of the reward amount, those achieving less than 60% will lose 100% of the reward amount. Where no risk assessment has so far been completed, these are identified by an * and it is assumed that all the reward funding is lost.)

		All indicators – Reward Target Value	Expected to achieve 60% of the target (amount shown is the lost amount – 40%)	Expected to achieve less than 60% (amount shown is the lost amount - 100%)
Children and Young People				
<i>Amber</i>	1.2.1 - Number of Permanent Exclusions in Secondary Schools	£190,522.50	£76,209	
<i>Green</i>	1.2.2 - No of Under 18's in Drug/Alcohol Treatment programmes	£254,030		
<i>Green</i>	1.2.3 - Homelessness decisions for 16-17 year olds	£444,552.50		
<i>Green</i>	1.2.4 - % of young people prevented from further offending	£381,045		
<i>Red</i>	1.3.1 - Increase average point scores of pupils	£1,270,150	£508,060	
	TOTAL	£2,540,300.00	£584,269	£0
Cleaner and Greener				
<i>Amber</i>	2.1 - Diversion from landfill BV82a & BV82b (All Districts)	£444,552.50		*£444,552.50
<i>Green</i>	2.2 - Diversion from landfill BV82a & BV82b (Lowest Authority)	£381,045		
<i>Green</i>	2.3 - Diversion from Landfill at LCC CA Sites	£444,552.50		
	TOTAL	£1,270,150.00	£0	£444,552.50
Stronger Communities				
<i>Green</i>	3.4 - Influence decisions - Personally	£317,537.50		
<i>Green</i>	3.5 - Influence decisions - Collectively	£317,537.50		
<i>Green</i>	3.8 - Cultural Cohesion - Neighbourhood	£635,075		
<i>Green</i>	3.9 - Unpaid Help - Formal volunteering	£1,270,150		

APPENDIX 2

	TOTAL	£2,540,300.00	£0	£0
Healthier Communities				
<i>Green</i>	4.1.1 - Adults - Moderate Intensity Sport	£1,270,150		
<i>Red</i>	4.2.1 - Reduction in Pupils Smoking	£127,015	£50,806	
<i>Amber</i>	4.2.2 - Adults accessing a Stop Smoking Service	£508,060	£203,224	
<i>Amber</i>	4.2.4 - Smoke Free Adults	£635,075	£254,030	
	TOTAL	£2,540,300	£508,060	£0
Older People				
<i>Red</i>	5.2 - Number of Direct Payments Received (Stretch)	£63,507.50		*£63,507.50
<i>Red</i>	5.9 - No of OP over 65 claiming Attendance Allowance (Stretch)	£571,567.50		£571,567.50
<i>Amber</i>	5.10 - No of OP over 65 claiming Housing Benefit (Stretch)	£317,537.50	£127,014	
<i>Amber</i>	5.11 - No of OP over 60 claiming Council Tax Benefit (Stretch)	£317,537.50	£127,014	
	TOTAL	£1,270,150.00	£254,028	£635,075
Economic Development and Enterprise				
<i>Amber</i>	6.3 - Incapacity Benefit Into Work Below 16 hrs week	£158,768.80	£95,261.28	
<i>Amber</i>	6.4 - Incapacity Benefit Claimants into work 16 hours plus	£1,111,381.20	£666,828.72	
<i>Green</i>	6.8 - Number of Business Start Ups in L'Shire	£1,270,150		
	TOTAL	£2,540,300.00	£762,090	£0
Safer Communities				
<i>Green</i>	7.12 - Number of reported Domestic Violence incidents (Reward)	£508,060		£508,060
<i>Green</i>	7.13 - Domestic Violence crimes by Repeat Offenders (Reward)	£762,090	£304,836	
<i>Green</i>	7.16 - Number of offences by Prolific Offenders (Cohort 1)	£381,045		
<i>Green</i>	7.17 - Number of offences by Prolific Offenders (Cohort 2)	£381,045		
<i>Amber</i>	7.18 - Theft of Motor Vehicles (Reward)	£101,612		
<i>Red</i>	7.19 - Theft From Motor Vehicle (Reward)	£101,612		£101,612.0
<i>Red</i>	7.20 - Domestic Burglary (Reward)	£101,612	£40,644.80	
<i>Red</i>	7.21 - Theft From Person (Reward)	£101,612		£101,612.0
<i>Red</i>	7.22 - Personal Robbery (Reward)	£101,612		£101,612.0
	TOTAL	£2,540,300	£345,480.80	£812,896
	Overall Total	£15,241,800.00	£2,453,927.80	£1,892,523.50
Total Reward Funding expected to be lost (%)			£4,346,452	(28%)

Table 2

The table below shows the amount and percentage of potential reward target funding not secured by theme.

Theme	Total potential reward target funding not secured based on current risk assessments	Percentage of total available reward target funding not secured
Children and Young People	£584,269	23%
Cleaner and Greener	£444,552.50	35%
Stronger Communities	£0	0
Healthier Communities	£508,060	20%
Older People	£889,103	70%
Economic Development	£762,090	30%
Safer Communities	£1,158,376.80	45%