

Briefing note on Local Area Agreement “Stretched Targets”

Background

- Local Area Agreements exist as a way of encouraging challenging, stretching, outcome focused targets to create real improvements to local services, focusing on a core set of outcomes. Oldham is one of the few Councils in the country to have been chosen to pilot the scheme, and as such we have a fabulous opportunity to achieve some tangible improvements to the lives of citizens of the Borough.

Preliminary Target Setting

- The Local Area Agreement will lead to the Oldham Partnership setting several targets across the various “blocks” which make up the LAA. These blocks are “Children and Young People,” “Healthier Communities and Older People,” “Safer and Stronger Communities,” “Economic Development and Enterprise,” with consideration being given to a fifth block, “Housing.”
- From these targets, several will be selected as “Stretched Targets” to form LPSA 2.
- Approximately 10-12 targets will form the LPSA, although one either side of this range will also be acceptable. The precise nature of the stretched targets will be led by the Oldham Partnership and Members of OMBC, but the types of stretched target suggested in other LPSA 2 areas has ranged from “Fire Reduction” in Birmingham to “Increasing Nature Reserve Provision” in Buckinghamshire

Negotiation

- In order to get the targets agreed with the ODPM, it will first be necessary to pull together a group of approximately 18-20 *potential* stretched targets, and begin negotiating. We will need to be clear about why we have made a priority of our selections, and why we have chosen not to select the others.
- It is inevitable that several of these potential stretched targets will fall away as negotiations continue, whether this be through a failure to come to an agreement of the level of stretch, or an unexpected baseline figure, or any other reason. What is important is that at the end of the negotiation there are still 10-12 targets to be stretched which have been agreed by both sides.
- During the negotiation stage, the ODPM will want certain information:
 - o Baseline performance data – i.e. what current levels of performance are. We will need to show the ODPM that we have robust baseline information and performance monitoring arrangements, including audit trails.
 - o Predicted performance levels in three years WITHOUT an LPSA
 - o Proposed levels of stretch to show the performance level in three years WITH an LPSA
- Certain other topics will be discussed as negotiations continue, such as likely freedoms and flexibilities required to achieve the targets etc.

Pump-priming and funding

- Once the 10-12 targets have been agreed, £1m pump-priming money will be given over to us, to be spent to begin the process.
- At the end of the LPSA, should the target be reached, a further £500k per target will be awarded, with a pro-rata award being made for achievement above 60% of the target. Thus, potentially, Oldham could benefit to the tune of £6m should 12 targets be agreed and achieved.