

Business and Property Committee

Item No.....

Report title:	Performance management
Date of meeting:	18 October 2017
Responsible Chief Officers:	Simon George - Executive Director of Finance and Commercial Services, and Tom McCabe - Executive Director, Community and Environmental Services
Strategic impact Robust performance management is key to ensuring that the organisation works both efficiently and effectively to develop and deliver services that represent good value for money and which meet identified need.	

Executive summary

This is the second performance management report to this committee and is based upon the revised Performance Management System, which was implemented as of 1 April 2016. There are currently 5 vital signs indicators under the remit of this committee ("PE - Number of apprenticeship starts" having been added since the previous report). Work continues to see what other data may be available to report to committee on a more frequent basis and these will in turn be considered for inclusion as vital signs indicators.

Performance is reported on an exception basis using a report card format, meaning that only those vital signs that are performing poorly or where performance is deteriorating are presented to committee. To enable Members to have oversight of performance across all vital signs, all report cards (which is where more detailed information about performance is recorded) will be made available to view upon request.

The 5 vital signs indicators that fall within the remit of this committee are:

1. Monitoring the job creation outputs of the projects and programmes that Norfolk County Council manages or Leads
 - (a) Oct-Sep
 - (b) Apr-Mar
2. Delivery against New Anglia Local Enterprise Partnership (NALEP) and Hethel Engineering Centre (HEC) business start-up targets
 - (a) Oct-Sep
 - (b) Apr-Mar
3. Number of apprenticeship starts
4. Median full time weekly pay – comparison between Norfolk and the national average
5. Reducing the % gap with rate of ESA only claimants for more than 1 year against national level

To enable the Committee to fully understand the full set of vital sign indicators they will oversee, the detailed report cards for all these indicators have been included with this report.

Recommendations:

Note that none of the 5 vital signs that fall within the remit of this committee have met the exception reporting criteria.

To consider whether there is any other performance data/information relating to the Committee's remit, in addition to the 5 vital signs set out in this report, which the Committee would wish to review on a regular basis.

1. Introduction

- 1.1. This is the second performance management report to this committee and is based upon the revised Performance Management System, which was implemented as of 1 April 2016.
- 1.2. There are currently 5 vital signs performance indicators that relate to the Economic Development Service in the CES Department.

Work continues to explore what data is available on a more regular basis to report to this committee, including reviewing measures reported by other councils and comparing with those currently reported in Norfolk. Since the last report to this committee, a new measure “Number of apprenticeship starts” has been introduced.

- 1.3. There are currently no specific performance measures relating to property and asset management to report to this committee.

2. Performance dashboard

- 2.1. The performance dashboard provides a quick overview of Red/Amber/Green rated performance across all 5 vital signs. This then complements the exception reporting process and enables committee members to check that key performance issues are not being missed.
- 2.2. The vital signs indicators are monitored during the year and are subject to review when processes are amended to improve performance, to ensure that the indicator correctly captures future performance. A list of all vital signs indicators currently under the remit of the Business and Property committee is available in Appendix 2.
- 2.3. The performance dashboard for the Business and Property Committee is provided at Appendix 1. Targets have been set for 2017/18 and it is against these targets that performance will be evaluated. As the full performance data is only available on an annual basis with some significant lags, we will not be able to report on final performance until mid-2018.

3. Report cards

- 3.1. A report card has been produced for each vital sign. It provides a succinct overview of performance and outlines what actions are being taken to maintain or improvement performance. The report card follows a standard format that is common to all committees and it is updated on a monthly basis.
- 3.2. Vital signs are reported to committee on an exceptions basis. The exception reporting criteria are as follows:
- Performance is off-target (Red RAG rating or variance of 5% or more)
 - Performance has deteriorated for three consecutive months/quarters/years
 - Performance is adversely affecting the council's ability to achieve its budget
 - Performance is adversely affecting one of the council's corporate risks.
- 3.3. The 5 vital signs indicators that fall within the remit of this committee are:
1. Monitoring the job creation outputs of the projects and programmes that Norfolk County Council manages or Leads
 - (a) Oct-Sep (*Actual to-date is 168 against a target for the period of 26*)
 - (b) Apr-Mar (*Actual to-date is 148.2 against a target for the period of 543.5*)
 2. Delivery against New Anglia Local Enterprise Partnership (NALEP) and Hethel Engineering Centre (HEC) business start-up targets
 - (a) Oct-Sep (*Actual to-date is 5 against a target for the period of 7*)
 - (b) Apr-Mar (*Actual to-date is 41 against a target for the period of 162.5*)
 3. Number of apprenticeship starts (*Q3 Jun 2017 is 6,120 against a target for the year ending Q4 Sept 17 of 7,917*)
 4. Median full time weekly pay – comparison between Norfolk and the national average (*Actual for 2016 is 90% against a target of 90.25%*)
 5. Reducing the % gap with rate of ESA only claimants for more than 1 year against national level (*Actual for 2016 was 78% against a target of 77%*)

For reference, the most recent report cards for these vital signs indicators have been included below:

Jobs created from programmes managed by NCC & New Anglia Local Enterprise Partnership (NALEP)

Why is this important?

We need more jobs, and higher value jobs, especially in key growth sectors. NCC and LEP aim to support jobs growth in our key areas

Performance

The background to current performance?

Programme	Apr 16 Mar 17 actual	Oct 16 Sep17 target	16/17 End July actual	Apr 17 Mar 18 target	Oct 17 Sep18 target	Notes
NALEP: Growing Business Fund (GBP)	527	n/a	87.25	183 / 2 = 91.5 Norfolk	n/a	Schemes run April – March. Norfolk only data available from July 2017. Prior to that a proxy of 50% of target and activity figures used. GBF provides grants of £5k-£500k to SMEs. Job creation: we list jobs created & reported under line 6.15 of the monthly report. Targets remain LEP wide.
Start-Up Menta NWES	140	n/a	Menta = 4 NWES=28 Total = 32	354/2= 52.5 M 124.5N	n/a	The Start Up Programme provides support to individuals to start their own business and for the first year of trading. Norfolk only activity reported from July 2017. Targets remain LEP wide: Norfolk Proxy = 50% is listed
Agri-Tech East	29	n/a	0	None set	n/a	Agri-tech East supports innovation in the Agri-tech sector with new jobs an outputs. Scheme runs to March 18. We record <u>new</u> FT jobs created, but outputs include PT and protected jobs 17/18 no target set by NALEP
Small Grants Scheme	Not prev reported	n/a	2.5	None set	n/a	Small Grants Scheme now incorporates the Micro Grant scheme. (ERDF funded) Runs April to Mar. Multiple outputs. 17/18 no specific jobs target set
Business Rates Pool	n/a	None set	92	n/a	None set	Jobs from projects funded by the pooled uplift in the growth of district and County business rates. Current year runs Oct to Sept. No 17/18 target set.
Inward Investment (Apr/Mar)	352 plus (945*)	n/a	0	225	250	NCC delivers inward activity for Norfolk under a contract with NALEP. Data verified annually in June. Current year runs: Apr 17 to Mar 18 We record new jobs created but also aim to protect jobs (* = protected)
Hethel Centre 3 yr = 78	n/a	26	76	n/a	26	INA funding year runs October to September . In 3 years Oct 15 to Oct 18: 78 jobs required, 26 per year annual interim targets.
LEADER	46.55	n/a	28.95	50	n/a	Programme helps create jobs in rural areas. April 17 to March 18.
Total	1094.55	26	318.7	543.5	476	

- The NALEP Strategic Economic Plan (SEP) seeks to increase jobs in Norfolk by **73,000** between 2012 and 2026 (**4,070** per annum, from the baseline of 343,800).
- This report card captures jobs NALEP and the Council have a hand in creating.
- Targets are set annually, apart from the Eastern Agritech scheme.
- Most report on a monthly basis. Exception are Hethel: reporting quarterly and Business rates pool which report annually.

What will success look like?

Action required

- Delivery of the outputs in the table will contribute significantly to delivery of the SEP jobs target, creating quality jobs and bolstering efforts to improve Norfolk's average earnings.

- Effective promotion/monitoring of grant programmes and our promotion investment offer.

Responsible Officers

Lead: Eliska Cheeseman, Programme Manager Data: Kate de Vries, Economic Development Officer 23 August 2017

Business Start-Up generated by NALEP and Hethel Innovation

Why is this important?

Start-up statistics are often used as a measure of the success of a local economy. Starting up a business can be a practical solution to redundancy, but also an outlet for creativity and innovation

Performance

2017 – 2018 NALEP Programmes	Previous Target	Prev. Actual	17/18 Annual Target*	Actual July 17
2017/18 Start Up - NWES	195	140	122.5	37*
2017/18 Start Up - MENTA			40	4*
Hethel Engineering Centre: Norfolk only				
2017/18 INA programme	7	9	7	5
Total annual figures target / actual	202	149	169.5	46

Note on Targets & Delivery

* NALEP set LEP wide targets for the Start Up programme. As a proxy target for Norfolk we assume 50% of the overall delivery target.

17/18 targets for business start ups, provided in August 2017, are 325 across the LEP area, 245 by NWES and 80 by Menta.

So our Norfolk target proxy for 17/18 is 162.5 of which 122.5 are to be provided by NWES and 40 by Menta.

NALEP have been able to provide a Norfolk only activity data from July 2017 for its Start Up programmes. Prior to that date we used a proxy figure of 50% of achieved activity.

HEC's target for the year October 16 to September 17 is 7.

What is the background to current performance?

Context

- Norfolk's business start-up rate lags behind the region and England as a whole, in terms of the number of businesses started per head of population. Such figures suggest a lack of willingness to take risks and innovate.
- The county consistently has a lower business failure rate than regional and national averages, suggesting Norfolk businesses are more robust.
- The New Anglia Local Enterprise Partnership (NALEP) Strategic Economic Plan (SEP), seeks to create 15,000 start-ups by 2026, which equates to **7,950** for Norfolk over the plan period, or **568** p/a.

Recent History

- NALEP's Start Up programme run by Menta and NWES achieved 98% of its 15/16 target
- Hethel's work is Norfolk based. Between 2006 and 2015 they supported 128 businesses, (an average of 14 pa).
- Hethel's Innovation programme for NALEP has supported the start-up of 128 new businesses since its creation in 2006.

Current reporting

- The County Council cannot force business start-ups, but will measure NALEP or HEC activities which directly support start-up activity.
- NALEP schemes run April – March for reporting purposes, reporting monthly to the LEP board, which figures NCC uses for this report.
- Hethel's reporting year runs October to September

What will success look like?

The two programmes should generate 170 new business start-ups across their annual programmes.

Action required

Ensure the NALEP Start Up support programmes are promoted effectively on the Council's website, www.LocateNorfolk.com and through other means.

Responsible Officers

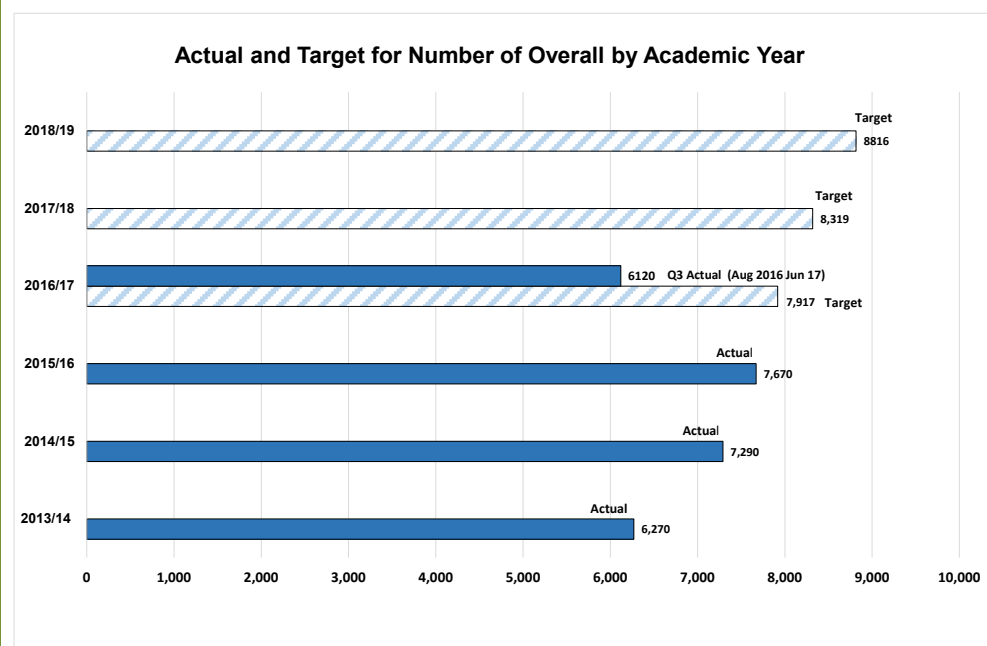
Lead: Eliska Cheeseman, Programme Manager Data: Kate de Vries, Economic Development Officer 23/08/17

Vital sign: Number of Apprenticeship starts

Why is this important?

Better qualified staff are a key first rung on the ladder to our twin goals of higher value jobs and a reduction in the gap between Norfolk's and England's average earnings (weekly gross pay). In turn, better paid jobs enable more people to get onto the housing ladder and have a better quality of life more generally. The New Anglia Local Enterprise Partnership Strategic Economic Plan (SEP) highlights the need to increase the number, level, range and quality of Apprenticeship delivery and generate 5000 additional Apprenticeships across Norfolk and Suffolk by 2019.

Performance



What is the story behind current performance?

Apprenticeship Starts	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual	Actual	Actual	Target	Target	Target
All starts – all levels/ages	6,270	7,290	7,670	7,917	8,319	8,816

The latest data available shows that Norfolk has 6,120 (77%) starts in the period (Aug 16 – April 17) towards its 7,917 target for the full year. The Apprenticeship Levy introduced in April 2017 appears to be having an effect on the take up of apprenticeships. Whilst many levy paying employers are keen to maximise the benefits they are uncertain on the best approach and are holding back at this time as they have two years to utilise the funding.

The provider market is becoming increasingly fractured with a number of providers no longer able to take new apprentices onto their books and existing learners having to be relocated to other providers.

What will success look like

Success will be measured by the overall achievement of annual target whilst maintaining quality, level and range.

Action required

Work with ANN to continue to support providers and employers with the significant changes. Apprenticeship advisers are continuing to engage with levy employers to support them to manage their levy purchases. We are working closely with the Education and Skills Funding Agency to support the transition of learners from one providers to another as appropriate and to minimise the disruption to both individuals and employers.

Responsible Officers

Lead: Jan Feeney

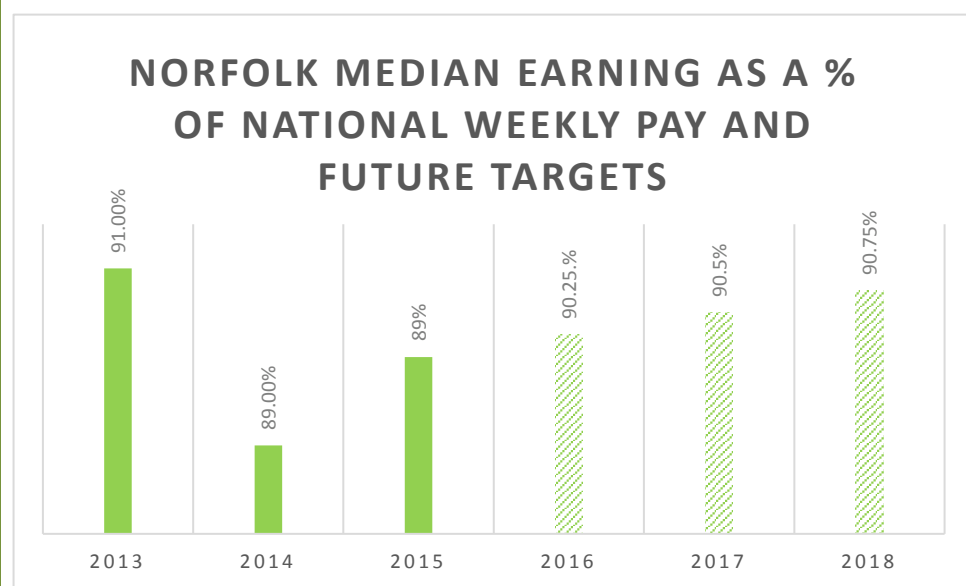
Data: Lisa Howes

Performance Scorecard – Real Jobs: Median Weekly Earnings

Why is this important?

A skilled workforce is essential to growing existing, and attracting new businesses to Norfolk and to the overall prosperity of Norfolk communities.

Performance



What is the background to current performance?

- Norfolk has a relatively low unemployment rate of 5.3%, compared to the national average of 5.4%.
- However median (average) earnings are significantly below the national average.
- This is a function of a large proportion of workforce being employed in low paid, low skilled sectors such as care, retail, and hospitality and an above national average number of part time jobs (36% compared to 32.3% of UK average)
- The current performance is 90% (2016), meaning while we have not technically reached 90.25% set target, we have in reality exceeded this target as the target was set with the 0.25% increment from the 2015 base line year which has now been amended to 89%.
- Going forward the impact of increasing amount of zero hour contract workers and Brexit will be felt more clearly on the economy.

What will success look like?

- A reduced gap between Norfolk and the national average over time. Proposed targets for the 3 year period seek to achieve a 0.25% improvement, year on year (in hatched bars)
- Targets: 2016/17 – 90.25%, 2017/18 – 90.50%, 2018/19 – 90.75%
- Please note the 0.25% increment is from the 2015 base line which was previously reported as 90% (now amended to 89% by ONS)

Action required

- Ongoing work to drive up workforce skills and increase inward investment in high value sectors should help to drive up average earnings.

Responsible Officers

Lead: David Dukes, Economic Development Manager

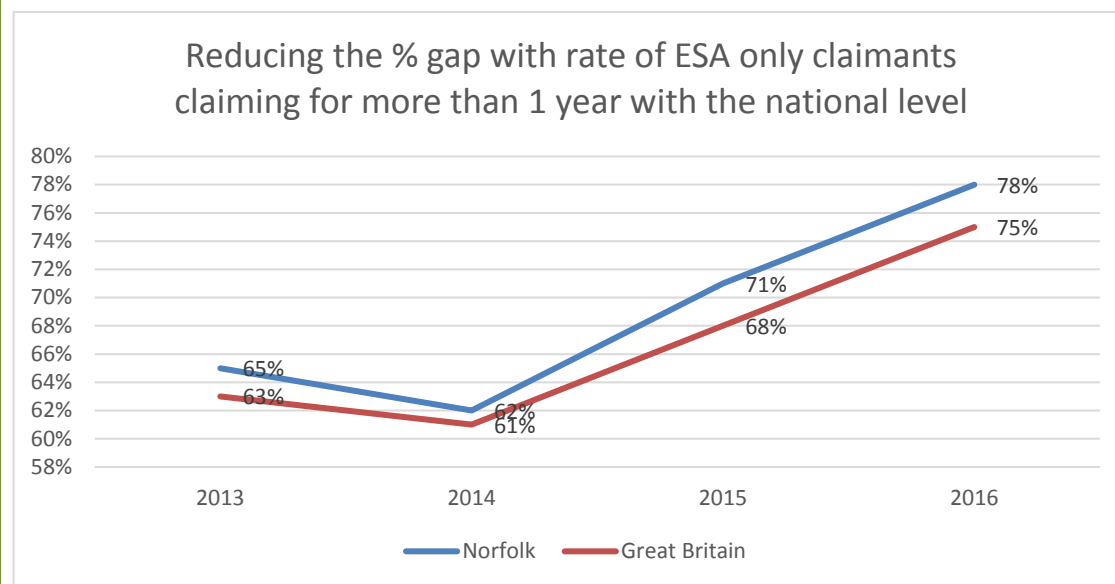
Data: Ninan Xu, IEG Project Officer (06/2017)

Real jobs – people on benefits can find work quickly

Why is this important?

To ensure that all those people who want to work are able to and have access to a job that they are suitably qualified to do.

Performance



What is the background to current performance?

- The proportion of those claiming Employment & Support Allowance (ESA) for more than 12 months in Norfolk has risen in the last 4 years, and is now higher than the average for Great Britain.
- In 2016, Norfolk experiencing a rise in proportion of long term ESA claimants. This is due to rise in the national rate of long term ESA claimant.
- However, Norfolk's gap with national average has stayed the same from 2015, at 3%.
- Due to the implementation of Universal Credit all claimants will be recategorised. This will lead to a short term drop in ESA numbers as they transition on to the new system. The focus of this work will shift to claimants on the new system over the next 3-5 years.

What will success look like?

- NCC will initially aim to reduce the numbers of ESA claimant in Norfolk to national levels through targeted, aligned work between NCC and DWP.
- Once this has been achieved NCC will aim to integrate employability work further into our support services in order to improve on national levels.
- NCC will aim to reduce the number of long term ESA claimants by 1% annually, over and above that achieved nationally each year until 2018. Changes to the benefits system through the implantation of Universal Credit may impact on how this is reported.
- NCC will proactively refer eligible ESA claimants who have been assessed as having some capacity for work, and who are also supported by NCC services, on to a range of programmes funded by ESF, Big Lottery & DWP.

Action required

- Liaise with DWP and District Councils on how Universal Credit will impact on this work and identify where added value is needed.
- Lobbying of LEP and LEP Skills Board to ensure that this group is supported by ESIF funding including open calls.
- Identify any other EU structural funds could be used to encourage social innovation for this group and develop bids with relevant departments or partners.
- Develop resources and training for key workers on external employability programmes to support individuals also receiving support from NCC services.

Responsible Officers

Lead: Vince Muspratt, European & Economic Programmes Manager Data: Ninan Xu, IEG Project Officer(06/17)

4. **Scottow Enterprise Park – latest performance**

The Committee asked for some information about operational performance at Scottow Enterprise Park to be included regularly in these performance reports. Performance as at the end of July 2017 was reported to the Committee at the last meeting, and performance as at 21 September 2017 is set out below:-

- Total rentable floor space available – 533,500 ft²
- Occupancy rate – 85%#
- Number of tenants – 95 (an increase of 7 since last reported)
- Number of jobs – 342* (an increase of 6 since last reported)
- Number of start-ups – 20* (an increase of 1 since last reported)
- Number of customer enquiries handled - 639 customer enquiries

#Of total rentable floor space (currently 115 units).

**Figures relate to total amount since Enterprise Park became operational.*

The Committee also requested information on revenue costs per zone. This is being compiled and will be included in future performance reports. Note that information on financial performance of the Park is included in the financial monitoring report.

5. **Recommendations**

Note that none of the 5 vital signs that fall within the remit of this committee have met the exception reporting criteria.

To consider whether there is any other performance data/information relating to the Committee's remit, in addition to the 5 vital signs set out in this report, which the Committee would wish to review on a regular basis.

6. **Financial Implications**

There are no significant financial implications arising from the development of the revised performance management system or the performance management report.

7. **Issues, risks and innovation**

There are no significant issues, risks and innovations arising from the development of the revised performance management system or the performance management report.

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, e.g. equality impact assessment, please get in touch with:

Performance: **Officer name :** Austin Goreham **Tel No. :** 01603 223138
Email address : austin.goreham@norfolk.gov.uk

NOTES:

In most cases the RAG colours are set as: Green being equal to or better than the target; Amber being within 5% (not percentage points) worse than the target; Red being more than 5% worse than target.
 'White' spaces denote that data will become available; 'grey' spaces denote that no data is currently expected, typically because the indicator is being finalised.
 The target value is that which relates to the latest measure period result in order to allow comparison against the RAG colours. A target may also exist for the current and/or future periods.

Monthly	Bigger or Smaller is better	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Target
{PE} Monitoring the job creation outputs of the projects and programmes that NCC manages or leads (Oct-Sep)	Bigger	29.8	29.8	20.0	72.0	72.0	72.0	97.0	140.0	140.0	144.0	168.0	168.0		
{PE} Monitoring the job creation outputs of the projects and programmes that NCC manages or leads (Apr-Mar)	Bigger	368.8	426.8	448.3	562.8	606.1	623.6	658.1	1,094.6	44.1	78.4	122.0	148.2		
{PE} Delivery against NALEP and HEC business start-up targets (Oct-Sep)	Bigger	9	9	0	0	0	1	1	2	2	2	3	5		
{PE} Delivery against NALEP and HEC business start-up targets (Apr-Mar)	Bigger	20	30	30	30	40	40	40	140	15	17	22	37		
Quarterly / Termly	Bigger or Smaller is better	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Target
{PE} Number of apprenticeship starts	Bigger	6,270				7,290				7,670	2,440	3,830	6,120		6,413
Annual (calendar)	Bigger or Smaller is better	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Target
{PE} Median full time weekly pay – comparison between Norfolk and the national average	Bigger										91.0%	89.0%	89.0%	90.0%	90.25%
														488.7 / 540.2	
{PE} Reducing the % gap with rate of ESA only claimants for more than 1 year against national level	Smaller										65.0%	62.0%	71.0%	78.0%	77%
													0.71 / 0.68	0.78 / 0.75	

Appendix 2 – Business and Property Committee Vital Signs indicators

A vital sign is a key indicator from one of the Council's services which provides members, officers and the public with a clear measure to assure that the service is performing as it should and contributing to the Council's priorities. It is, therefore, focused on the results experienced by the community. It is important to choose enough vital signs to enable a good picture of performance to be deduced, but not so many that strategic discussions are distracted by detail.

There are currently 5 vital signs performance indicators that relate to the Business and Property Committee.

Of these vital signs indicators, the two in bold are considered to be corporately significant. As such, they will also be reported to the Policy and Resources Committee.

Service	Vital Signs Indicators	What it measures	Why it is important	Data
Planning & Economy (CES)	Job creation in Norfolk	Monitoring the job creation outputs of the projects and programmes that NCC manages or leads	SEP has a target to deliver 73,000 more jobs by 2026. This measure looks at those jobs the EDS service has had a hand in bringing forward	Partly monthly
Planning & Economy (CES)	New Anglia Growth Hub delivery – business start up	Delivery of New Anglia Growth Hub's business start-up targets	All programmes should deliver outputs that benefit the Norfolk economy	Partly monthly
Planning & Economy (CES)	Apprenticeships Norfolk Network Success Measures	Number of Apprenticeship Starts	By the end of 2019 we will create an additional 2500 apprentices in Norfolk (baseline 6270 in 2013/14)	Quarterly (subject to data release)
Planning & Economy (CES)	Norfolk median weekly earnings	Median full time weekly pay – comparison between Norfolk and the national average	A skilled workforce is essential to growing existing, and attracting new businesses to Norfolk and to the overall prosperity of Norfolk communities	Annual
Planning & Economy (CES)	People on benefits can find work quickly	Reducing the % gap with rate of ESA only claimants for more than 1 year against national level	Residents claiming ESA have a higher likelihood of receiving support from NCC services.	Annual