

Business and Property Committee

Item No.

Report title:	Performance management
Date of meeting:	3 July 2018
Responsible Chief Officer:	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 management report to Committee is based upon the revised Performance Management System, which was implemented as of 1 April 2016. Additionally, this is the first report to provide data against the new 2018/19 vital signs list derived from measures contained within the 'plans on a page' previously presented to and agreed by Committee.

There are currently three vital signs indicators under the remit of this committee.

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.

Of the three vital signs indicators that fall within the remit of this committee, two indicators have met the exception criteria:

- Delivery against New Anglia Local Enterprise Partnership (NALEP) and Hethel Engineering Centre (HEC) business start-up targets (Apr-Mar)
- Number of apprenticeship starts

Recommendations:

Review and comment on the performance data, information and analysis presented in the body of the report and determine whether any recommended actions identified are appropriate or whether another course of action is required - refer to the list of possible actions at Appendix 1.

In support of this, Appendix 1 provides:

- A set of prompts for performance discussions.
- Suggested options for further actions where the committee requires additional information or work to be undertaken.

1. Introduction

- 1.1. This management report to Committee is based upon the revised Performance Management System, which was implemented as of 1 April 2016. Additionally, this is the first report to provide data against the new 2018/19 vital signs list derived from measures contained within the 'plans on a page' previously presented to and agreed by Committee.
- 1.2. There are currently three vital signs indicators under the remit of this committee:
 - Monitoring the job creation outputs of the projects and programmes that Norfolk County Council manages or Leads (Oct-Sep) and (Apr-Mar)
 - Delivery against New Anglia Local Enterprise Partnership (NALEP) and Hethel Engineering Centre (HEC) business start-up targets (Oct-Sep) and (Apr-Mar)
 - Number of apprenticeship starts
- 1.3. 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.
- 1.4. Of the three vital signs indicators that fall within the remit of this committee, two indicators have met the exception criteria.

2. Performance dashboard

- 2.1. The performance dashboard provides a quick overview of Red/Amber/Green rated performance across all three 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 at Appendix 2.
- 2.3. 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.

- 2.4. Where cells have been greyed out on the performance dashboard, this indicates that data is not available due either to the frequency of reporting or the vital sign being under development. In this case, under development can mean that the vital sign has yet to be fully defined or that baseline data is being gathered.

Key to services on the performance dashboard:

- PE – Planning and Economy

- 2.5. The performance dashboard for the Business and Property Committee is as follows:

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	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Target
{PE} Monitoring the job creation outputs of the projects and programmes that NCC manages or leads (Oct-Sep)	Bigger	144.0	168.0	168.0	168.0	168.0	0.0	0.0	1.0	1.0	1.0	4.0	4.0		
{PE} Monitoring the job creation outputs of the projects and programmes that NCC manages or leads (Apr-Mar)	Bigger	78.4	122.0	150.7	195.7	290.2	364.9	547.7	598.0	645.0	712.4	842.9			544
{PE} Delivery against NALEP and HEC business start-up targets (Oct-Sep)	Bigger	2	3	5	10	12	1	6	6	6	6	6	14	14	
{PE} Delivery against NALEP and HEC business start-up targets (Apr-Mar)	Bigger	20	25	41	50	60	83	95	106	119	128	138			163
Quarterly / Termly	Bigger or Smaller is better	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Target
{PE} Number of apprenticeship starts	Bigger		7,290				7,670	2,440	3,830	6,120	6,580	2,100	3,240		4,409

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 improve performance. The report card follows a standard format that is common to all committees.
- 3.2. Each vital sign has a lead officer, who is directly accountable for performance, and a data owner, who is responsible for collating and analysing the data on a monthly basis. The names and positions of these people are specified on the report cards.
- 3.3. Vital signs are reported to committee on an exceptions basis. The report cards for those vital signs that do not meet the exception criteria on this occasion, and so are not formally reported, are also collected and are available to view if requested.
- 3.4. Provided in Appendix 1 is a set of prompts for performance discussions that Members may wish to refer to as they review the report cards. There is also a list of suggested options for further actions where the committee requires additional information or work to be undertaken.
- 3.5. The report cards for the indicators that meet the exception criteria are shown below, which include contextual information for the indicator, along with information about current and historical performance:
 - Delivery against New Anglia Local Enterprise Partnership (NALEP) and Hethel Engineering Centre (HEC) business start-up targets (Apr-Mar) (Performance is off-target (Red RAG rating or variance of 5% or more) for March 2018 Red 138 against a target of 163)
 - Number of apprenticeship starts (Performance is off-target (Red RAG rating or variance of 5% or more) for the quarter covering March 2018 Red 3,240 against a target of 4,409)

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 Mar 18
2017/18 Start Up - NWES	195	92	122.5	126
2017/18 Start Up - MENTA		36	40	12
Hethel Engineering Centre: Norfolk only 2017/18 INA programme	7	12	7	6
Total annual figures target / actual	202	140	169.5	144

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. 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 now provide a Norfolk only activity data (from July 2017) for its Start Up programmes. Note the programme runs April to March

HEC's year runs October to September. Their target for the year to September 18 is 7.

NCC continue to promote the Growth Hub at all opportunities: Royal Norfolk Show; via Sector Groups; at business breakfasts.

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 85% of its 17/18 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.
- NWES business starts reported (line 2.4 of NALEP monthly reporting sheet)
- Menta business starts reported (line 3.4 of NALEP monthly reporting sheet)
- Hethel's reporting year runs October to September – Sally Harradence currently provides the monthly updates

What will success look like?

At March 18 the HEC programme (was on track for meeting its target). The NALEP programme didn't hit target (but came close with 85%).

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: Karen Gibson, EU Project Manager

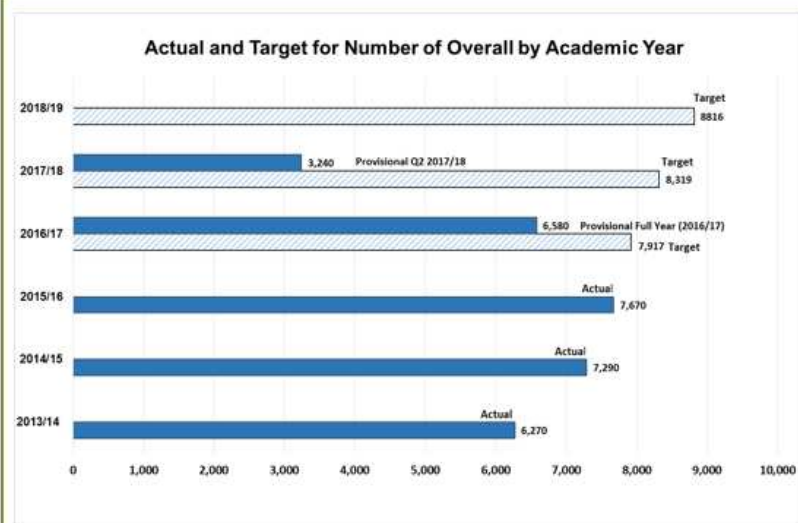
Data: Kate de Vries, Economic Development Officer 18/04/18

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	Actual	Actual	Target
All starts – all levels/ages	6,270	7,290	7,670	6,580	3,240	8,816

During the 2016/17 year, Norfolk had 6,580 new Apprenticeship starts. This is against a target of 7,917. The number of new starts on Apprenticeships nationally fell, but the drop in Norfolk was greater.

Norfolk data released in April 2018 show provisional starts for the second quarter of 2017 at 3,240. This covers the months of August 2017 to January 2018 which have fallen 15% compared to the same quarter the previous year. Nationally the drop was larger at 25%. This suggests that Norfolk is recovering quicker than England as a whole following Government policy changes.

What will success look like

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

Action required

The current tolerance for this measure is 10%. It is proposed the tolerance is raised to 25% rather than revising targets as they are set in line with the New Anglia LEP targets for Apprenticeships. NCC does not directly have any influence on starts and is led by changing national government policy therefore greater tolerance is needed in a significantly uncertain period. We recently had our Apprenticeships Norfolk AGM, which included a symposium, where we were able to hear the views of employers and providers which will all go towards developing an action plan for the next 6 months to a year.

Responsible Officers

Lead: Jan Feeney

Data: Kieren Buxton

4. Recommendations

4.1. Committee Members are asked to:

Review and comment on the performance data, information and analysis presented in the body of the report and determine whether any recommended actions identified are appropriate or whether another course of action is required – refer to the list of possible actions at Appendix 1.

In support of this, Appendix 1 provides:

- A set of prompts for performance discussions.
- Suggested options for further actions where the committee requires additional information or work to be undertaken.

5. Financial implications

5.1. There are no significant financial implications arising from the performance management report.

6. Issues, risks and innovation

6.1. There are no significant issues, risks and innovations arising from 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, eg equality impact assessment, please get in touch with:

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If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

Appendix 1 – Performance discussions and actions

Reflecting good performance management practice, there are some helpful prompts that can help scrutinise performance, and guide future actions. These are set out below.

Suggested prompts for performance improvement discussion

In reviewing the vital signs that have met the exception reporting criteria and so included in this report, there are a number of performance improvement questions that can be worked through to aid the performance discussion, as below:

1. Why are we not meeting our target?
2. What is the impact of not meeting our target?
3. What performance is predicted?
4. How can performance be improved?
5. When will performance be back on track?
6. What can we learn for the future?

In doing so, committee members are asked to consider the actions that have been identified by the vital sign lead officer.

Performance improvement – suggested actions

A standard list of suggested actions has been developed. This provides members with options for next steps where reported performance levels require follow-up and additional work.

	Action	Description
1	Approve actions	Approve actions identified in the report card and set a date for reporting back to the committee.
2	Identify alternative or additional actions	Identify alternative/additional actions to those in the report card and set a date for reporting back to the committee.
3	Refer to Departmental Management Team	DMT to work through the performance issues identified at the committee meeting and develop an action plan for improvement and report back to committee.
4	Refer to committee task and finish group	Member-led task and finish group to work through the performance issues identified at the committee meeting and develop an action plan for improvement and report back to committee.
5	Refer to County Leadership Team	Identify key actions for performance improvement and refer to CLT for action.
6	Refer to Policy and Resources Committee	Identify key actions for performance improvement that have 'whole Council' performance implications and refer them to the Policy and Resources committee for action.

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 three vital signs performance indicators that relate to the Business and Property Committee. The indicator in bold (on the Table below) is a vital signs indicator deemed to have corporate significance and therefore will also be reported to the Policy and Resources Committee.

Key to services:

- CIL – Community, Information and Learning
- CH – Culture and Heritage
- FBP – Finance Business Partner
- HW – Highways
- NCLS – Norfolk Community Learning Service
- NFRS – Norfolk Fire and Rescue Service
- PE – Planning and Economy
- PH – Public Health

Service	Vital Signs Indicator	What it measures	Why it is important	Data
PE	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
PE	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
PE	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)