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**Report of the Head of Corporate Policy**

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**Purpose of the Report**

- 1 The purpose of this report is to provide an end of year performance update (2005/06) for Best Value Performance Indicators (BVPIs) and Key Performance Indicators (KPIs) relevant to our Corporate Aim, Building a Strong Economy.
- 2 The end of year performance 05/06 for BVPIs and KPIs aligned to Building a Strong Economy is available in Appendix A.
- 3 There are 2 BVPIs and 28 KPIs relevant to our Corporate Aim, Building a Strong Economy. Comparison of the final outturn of 2005/06 to the final outturn of 2004/05 shows that 7 indicators improved performance, 11 deteriorated, 2 remained static and 10 had no comparative data. Only 1 indicator had a target set for 2005/06. This indicator (jobs supported through business grants / incentives) did not meet its target.

Performance	PI
Improved	<p><b>CEDOS Business Support Indicators</b></p> <ul style="list-style-type: none"> <li>• 06a - direct jobs safeguarded</li> <li>• 06b - direct jobs safeguarded per 1,000 businesses</li> </ul> <p><b>CEDOS Inward Investment Indicators</b></p> <ul style="list-style-type: none"> <li>• 11a - direct jobs created</li> <li>• 11b - direct jobs created per 10,000 economically active population</li> <li>• 14 – cost per job created / safeguarded</li> </ul> <p><b>CEDOS Managed Workspace Indicators</b></p> <ul style="list-style-type: none"> <li>• 26 - units provided</li> <li>• 29a - jobs supported</li> </ul>
Static	<p><b>CEDOS Managed Workspace Indicators</b></p> <ul style="list-style-type: none"> <li>• 27 - workspace area (sq m) provided</li> <li>• 28 - average % occupancy rate</li> </ul>
Deteriorated	<p>100 – Temporary traffic controls / closure KPI – Jobs supported through business grants / incentives</p> <p><b>CEDOS Business Support Indicators</b></p> <ul style="list-style-type: none"> <li>• 01a – number of enquiries</li> <li>• 01b – enquiries per 1,000 businesses</li> </ul>

Performance	PI
	<ul style="list-style-type: none"> <li>• 03a – business start-ups supported</li> <li>• 03b – business start-ups supported per 1,000 businesses</li> <li>• 04a – direct jobs created</li> <li>• 04b – direct jobs created per 1,000 businesses</li> <li>• 07 - % customers satisfied</li> </ul> <p><b>CEDOS Inward Investment</b></p> <ul style="list-style-type: none"> <li>• 09a – number of investments</li> <li>• 09b – investments per 10,000 economically active population</li> </ul>
No comparative data	223 – Principal Roads Maintenance

*(T) denotes that the target for that indicator was met.*

### Areas of Improved Performance

4 The performance of a number of indicators improved since 2004/05. Of particular note:

- **CEDOS 06 (Business Support) - jobs safeguarded.** There has been a significant increase in the number of jobs safeguarded, compared to last year. The 300 jobs are a proportion of the 900 jobs lost as a result of the LG Philips closure.
- **CEDOS 11 (Inward Investment) –direct jobs created.** This figure is a proportion of all of the projects that CDDC funding has contributed to. The total is 392 jobs but when other grant support is taken into account the proportion of jobs attributed to CDDC is 349.
- **CEDOS 14 (inward Investment) – Cost per job created / safeguarded.** There has been a 45% reduction in the cost per job created / supported since 2004-05. This equates to a saving of £203.17 per job.
- **CEDOS 26 (Managed Workspace) – units provided.** This is the financial year end portfolio of industrial units held within CDDC, both occupied and let. 30 additional industrial units have been added during 2005/06.
- **CEDOS 29a (Managed Workspace) – jobs supported.** This indicator is the result of a questionnaire that was sent to business unit occupiers. Replies were not received from all occupiers. If an average of the responses received were

representative of the total, the number of jobs supported would rise to 174.

## Areas of deteriorated performance

- 5 The performance of a number of indicators deteriorated since 2004/05. Of particular note:
  - **BV 100 - Temporary traffic controls / closure.** This indicator's performance deteriorated and it failed to meet its 2005/06 target due to the use of traffic lights / road closure on a section of the 75.75 kilometres of traffic sensitive road for 5 days during 2005/06.
  - **KPI - Jobs supported through business grants / incentives.** Performance of this indicator was lower than 2004/05 and the 2005/06 target was not met. 2005/06 has been a difficult year for organisations providing business support in the region. Applications for Selective Finance for Investment (SFI) from One North East (ONE) are lower than in previous years, business activity as expressed in volume of cases discussed at Project Review Grants is substantially down on previous years and the work for CEDOS has shown a decline in projects supported by District Councils. As districts either suffer budgetary cuts or remove their schemes of support totally, there has been a decline in potential projects brought to the attention of CDDC. All of these factors have affected performance in 2005/06. Efforts have been made to support higher quality jobs in knowledge intensive industries that are sustainable. Therefore, whilst the total number of jobs supported may have decreased the quality and sustainability of the jobs has increased. Furthermore, the CDDC Grants package has been realigned to prevent market saturation and displacement of certain activities.
  - **CEDOS 01 (Business Support) – enquiries.** There has been a 30% decrease in the number of business support enquiries. However, many of the factors that affect the number of enquiries that are received are beyond the control of the CDDC.
  - **CEDOS 03 (Business Support) – business start-ups supported.** Fewer business start-ups have been supported but there has been greater effort to ensure these are sustainable in the long-term.
  - **CEDOS 04 (Business Support) – direct jobs created.** This indicator includes expansions and new businesses. Taking into account partnership support – SFI and District Council incentives – the proportion of jobs attributable to CDDC is 458. As with previous indicators the total number of jobs supported may have decreased but the quality and sustainability of the jobs supported has increased.

- **CEDOS 07 (Business Support) – customer satisfaction.** Performance of this indicator has deteriorated, compared to last year. Satisfaction is calculated as a result of questionnaires sent out to all people who received business support grants through CDDC.
- **CEDOS 09 (Inward Investment) – investments.** The number of investments has decreased slightly, compared to 2004-05. However, it should be noted that there are a number of factors that dictate the number of inward investments that are made in County Durham, many of which are beyond the control of CDDC.

### **Recommendations**

That Corporate Scrutiny Sub-Committee Members:

- (i) note the contents of this report
- (ii) agree to receiving subsequent quarterly performance progress reports

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**Contact: Debra Kitching Tel: 0191 383 4186**

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