



---

**Joint report of the Head of Corporate Policy and Head of  
Economic Development and Regeneration**

---

**Purpose of the Report**

- 1 The purpose of this report is to provide a performance update for quarter one, 2006/07 for the Authority's corporate priorities, Best Value Performance Indicators (BVPIs) and other performance indicators relevant to our Corporate Aim, Building a Strong Economy.
- 2 As members will be aware there are no statutory performance measures for economic development. Economic development is an area that is difficult to attribute meaningful quantitative measures to a local authority due to the necessity for a multi-agency approach to delivery. Despite the difficulties through the Chief Economic Development Officers Society (CEDOS) and the Audit Commission's work on Performance Indicators for Local Authority Economic Development Economic Regeneration Indicators, the County Council has started the process of data collection with a view to establishing future targets. This is of particular importance as we seek to show how we provide value for money for CPA purposes and in the light of the inquiry being led by Sir Michael Lyons into sub-national economic development and regeneration.
- 3 The County Durham Economic Partnership (CDEP) is currently reviewing the County Durham Economic Strategy and will publish a strategy that will set targets up until 2012. This strategy is currently being developed and members will have the opportunity to provide input once a full draft has been established. The strategy will include targets for the strategy period to 2012. Action plans will be developed to deliver the strategy and will establish annual targets. Therefore it is anticipated that the new CDEP Strategy in conjunction with the earlier CEDOS and Audit Commission indicators will provide a performance management framework for economic development that will comprehensively capture all of our activity.
- 4 Performance for quarter 1, 2006/07 for indicators aligned to Building a Strong Economy is available in Appendix A (Corporate Priorities), Appendix B (BVPIs) and Appendix C (other performance indicators).

## Priorities for Improvement

There is one priority area for improvement aligned to our Corporate Aim, Building a Strong Economy.

### PFI 05 – Promoting Economic Well-being

Within this theme there are 3 outcomes that have been identified as areas we want to improve.

**Reduction in the level of worklessness** – to know if we are succeeding at this we are measuring:

- **LAA ED&E 01b – Number of incapacity benefit claimants (LAA stretch target)**

The latest data (October to December 2005) available shows that the number of people claiming incapacity benefit has increased by 0.8% (300 additional claimants).

**Increased entrepreneurial activity**– to know if we are succeeding at this we are measuring:

- **LAA ED&E 02b – New VAT registrations (LAA stretch target)**

According to the latest data (end 2003), there were 885 new VAT registrations in County Durham, equating to 9.3% of the stocks. Throughout England and Wales for the same time period there were 165,435 new VAT registrations, 10.1% of the stocks. There were also 805 VAT de-registrations (8.5% of the stocks) in County Durham. This compares to 162,800 VAT de-registrations (10.0% of the stocks) throughout England and Wales. Therefore, the net gain to County Durham was 80.

**More people with the skills to meet current and future business needs** – to know if we are succeeding at this we are measuring:

- **NVQ Level 2 (LAA stretch target)**

Performance of this indicator will be monitored through the annual Labour Force Survey that has not been updated. Consequently, performance of this indicator is currently unavailable and an update will be presented to Scrutiny when the information becomes available.

## Best Value & Other Key Performance Indicators

- 5 There are 2 Best Value Performance Indicators (BVPIs) 1 Key Performance Indicator (KPI) and 44 CEDOS indicators relevant to our Corporate Aim, Building a Strong Economy. Of these indicators, 12 indicators improved performance, 14 deteriorated, 3 remained static and 19 had no comparative data.

Performance	PI
Improved	<p><b>Best Value Performance Indicators</b></p> <ul style="list-style-type: none"> <li>• 100 – Temporary traffic controls / closure (T) <b>0%</b></li> </ul> <p><b>Key Performance Indicators</b></p> <ul style="list-style-type: none"> <li>• Jobs supported through business grants / incentives</li> </ul> <p><b>CEDOS Business Support</b></p> <ul style="list-style-type: none"> <li>• BS06 – Direct jobs safeguarded</li> <li>• BS06a – Direct jobs safeguarded per 1,000 businesses</li> <li>• BS08b - % satisfied with service</li> <li>• BS08c - % neither satisfied nor dissatisfied with service</li> </ul> <p><b>CEDOS Business Units Provided</b></p> <ul style="list-style-type: none"> <li>• BUP05a – Gross cost per job</li> <li>• BUP05b – Gross cost per square metre of floorspace</li> <li>• BUP06a – Net cost per job</li> </ul> <p><b>CEDOS Inward Investment</b></p> <ul style="list-style-type: none"> <li>• II04 – Direct jobs created</li> <li>• II04a – Direct jobs created per 10,000 econ. active pop.</li> <li>• II06 – Cost per job created / safeguarded</li> </ul>
Static	<p><b>Best Value Performance Indicators</b></p> <ul style="list-style-type: none"> <li>• BV223 - % Principal Roads Maintenance</li> </ul> <p><b>CEDOS Business Units Provided</b></p> <ul style="list-style-type: none"> <li>• BUP01 – Units provided</li> <li>• BUP02 – Workspace provided</li> </ul>
Deteriorated	<p><b>CEDOS Business Support Indicators</b></p> <ul style="list-style-type: none"> <li>• BS01 – No. of enquiries</li> <li>• BS01b – enquiries per 1,000 businesses</li> <li>• BS04 – Business start-ups supported</li> </ul>

Performance	PI
	<ul style="list-style-type: none"> <li>• BS04a – Business start-ups supported per 1,000 businesses</li> <li>• BS05 – Direct jobs created</li> <li>• BS05a – Direct jobs created per 1,000 businesses</li> <li>• BS08a - % very satisfied with service</li> <li>• BS08d - % dissatisfied with service</li> <li>• BS08e - % very dissatisfied with service</li> </ul> <p><b>CEDOS Business Units Provided</b></p> <ul style="list-style-type: none"> <li>• BUP03 – average occupancy rate</li> <li>• BUP04 – No. of jobs</li> <li>• BUP06a – Net cost per square metre of floorspace</li> </ul> <p><b>CEDOS Inward Investment</b></p> <ul style="list-style-type: none"> <li>• II02 – No. of inward investments</li> <li>• II02a – Inward investments per 10,000 econ. active pop.</li> </ul>

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

### Areas of improved performance

- 6 The performance of a number of indicators improved during quarter 1, 2006/07. 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. During quarter 1, 2006/07, no traffic sensitive roads were closed due to road works.
  - **KPI - Jobs supported through business grants / incentives.** During quarter 1, 2005/06, 133 jobs were supported through business grants / initiatives. During quarter 1, 2006/07, this had increased to 186, an increase of 40%.
  - **CEDOS BS06 (Business Support) - jobs safeguarded.** There was a significant increase in the number of jobs safeguarded during 2005/06, compared to 2004/05. The 300 jobs are a proportion of the 900 jobs lost as a result of the LG Philips closure.
  - **CEDOS BS08 (Business Support) – customer satisfaction.** Although the percentage of customers satisfied has increased during 2005/06, the number very satisfied has decreased. This has resulted in an overall deterioration in satisfaction compared

to last year, from 95% to 85% satisfaction. Satisfaction is calculated as a result of questionnaires sent out to all people who received business support grants through CDDC.

- **CEDOS BUP05 (Business Units Provided) – Gross cost per job.** The gross cost per job during 2005/06 was £557.30 (41.3%) less than during 2004/05. The gross cost per square metre of floorspace was also reduced by £306.43 (33%)
- **CEDOS BUP06 (Business Units Provided) – Net cost per job.** Although the net cost per job decreased during 2005/06 by £2.17 (9.6%), the net cost per square metre of floorspace increased by £0.56 (3.6%)
- **CEDOS II04 (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 this figure falls to 349.
- **CEDOS II06 (inward Investment) – Cost per job created / safeguarded.** There was a 45% reduction in the cost per job created / supported between 2005/06 and 2004/05. This equated to a saving of £203.17 per job.

### Areas of deteriorated performance

- 7 The performance of a number of indicators deteriorated during quarter 1, 2006/07. Of particular note:
- **CEDOS BS01 (Business Support) – enquiries.** There was been a 30% decrease in the number of business support enquiries during 2005/06. However, many of the factors that affect the number of enquiries that are received are beyond the control of the CDDC.
  - **CEDOS BS04 (Business Support) – business start-ups supported.** Although, fewer business start-ups have been supported, there has been greater effort to ensure these are sustainable in the long-term.
  - **CEDOS BS05 (Business Support) – direct jobs created.** This indicator includes expansions and new businesses. Taking into account partnership support – Selective Finance for Investment (SFI) and District Council incentives – the proportion of jobs attributable to CDDC is 458. As with previous indicators the total number of jobs supported has decreased but the quality and sustainability of the jobs supported has increased.
  - **CEDOS BS08 (Business Support) – customer satisfaction.** Performance of this indicator has deteriorated compared to last year, from 95% to 85% satisfaction. Satisfaction is calculated as

a result of questionnaires sent out to all people who received business support grants through CDDC.

- **CEDOS BUP03 (Business Units Provided) – average occupancy rate.** The average occupancy rate of business units (non-managed) provided by the Local Authority decreased during 2005/06, from 87.6% to 84.9%.
- **CEDOS BUP04 (Business Units Provided) – Number of jobs.** 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.
- **CEDOS II02 (Inward Investment) – investments.** The number of investments decreased slightly during 2005/06, 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

---

<b>Contact:</b>	<b>Debra Kitching</b>	<b>Tel: 0191 383 4186</b>
	<b>Richard Smith</b>	<b>Tel: 0191 383 5590</b>

---