

REPORT TO PERFORMANCE MANAGEMENT GROUP

PAPER B

SUBJECT: Performance Focus – Economic Prosperity

Date of SSP Performance Management Group meeting for discussion: 29th January 2009

Approximate time to allow for discussion: 1hr 30 minutes

KEY ISSUES:

Economic prosperity in Suffolk is a key area of LAA2 and it is a theme where performance is of increasing importance as we face the challenge of the economic downturn. This meeting will take the form of a performance clinic covering performance information about the Suffolk economy complemented by presentations on priorities for improvement delivered by practitioners, representatives from the Economic Prosperity Delivery Partnership and partner organisation to explain the work that is being done to support the strategic outcomes of LAA2. An evidence pack containing detailed performance information supported by other contextual information such as relevant strategies and activities plan will be supplied prior to the meeting to complement this report. This will be circulated in hard copy separate to the agenda.

WHAT ARE THE PMG BEING REQUESTED TO DO? e.g. make a decision, recommend, consider options etc.

The Performance Management Group are asked to:

- Review the performance and activities of the Delivery Partnership and explore the issues affecting performance in order to help identify practical actions to deliver improvement.
- Provide feedback on the style and effectiveness of the meeting to inform future meetings.

ARE THERE RESOURCE IMPLICATIONS TO THE PMG?

No

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Introduction

Suffolk's LAA2 has been structured around 9 delivery partnerships who together work to deliver the ambitions we have set in Transforming Suffolk. In order for the Performance Management Group (PMG) to effectively review performance, a performance clinic style of meeting is being introduced, building on a model that has been used for Adult Care Services at Suffolk County Council which proved to be an effective means of discussing actions for improvement alongside performance information. As this is the first such clinic for PMG, this report will explain in more detail how the clinic will work, and then introduce the current performance data for this delivery partnership theme.

It had been previously agreed to have the Children's Trust as the subject of this first clinic but due to a clash of dates, this has been changed to Economic Prosperity. In light of the current economic downturn and recent announcements in Suffolk, review of this key area is particularly important.

Structure of Performance Clinics

Performance Clinics aim to bring performance information together with activity information in order to explore in detail the issues affecting performance to help identify practical actions to deliver improvement. This report provided in advance of the meeting will aim to set the scene, revisiting the outcomes for the partnership and why they are important and providing a summary of key performance information.

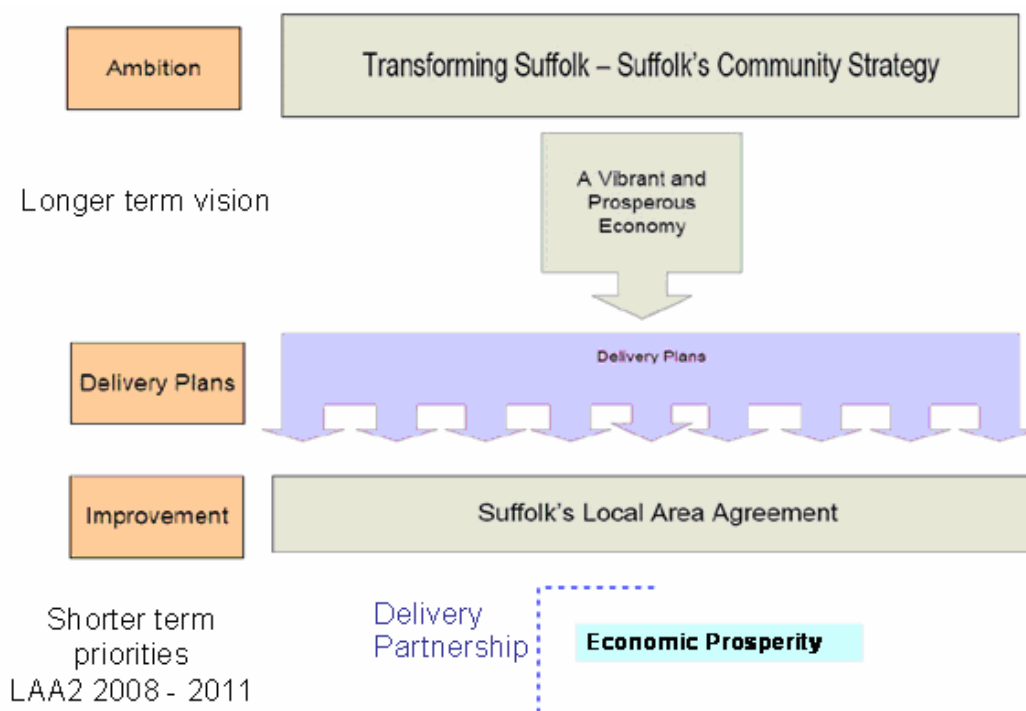
This will be supported by an evidence pack that will be distributed prior to the meeting and will contain full information about the delivery partnership outcomes, key themes, full performance indicator information and other contextual information such as strategies and other reports.

At the meeting itself there will be a presentation prepared by Suffolk County Council's performance team that will summarise the current performance, successes and achievements and relevant benchmarking information. This will be complemented by presentations on key areas for improvement from key partners on the Delivery Partnership.

The meeting should be able to identify improvement priorities that need to be owned and acted upon to support the delivery of this theme. Progress against these improvements can be revisited at future meetings.

Economic Prosperity

Suffolk's longer term Community Strategy outcomes include a focus on creating a vibrant and prosperous economy. In the short term, LAA2 provides a focus on outcomes for Suffolk to prioritise and raise improvement for this area where, through consultation with partners, it can demonstrate adding value to the outcomes in the community strategy.



The shorter term outcomes in LAA2 have been matched to the National Performance Indicator set so that future improvements can be successfully measured and any issues quickly identified.

Detailed information will be provided in the performance evidence pack (accompanying this report), but key performance highlights are provided below (and at [Appendix 1](#) – from page 6 below).

The Economic Prosperity Delivery Partnership will play a crucial role over the next 3 years in supporting the 4 planks of the economic strategy:

- Key sector development,
- Business support,
- Addressing economic inequalities in parts of Suffolk
- Ensuring wherever appropriate infrastructure to support growth.

The Delivery Partnership operates at 2 levels with a board supported by an executive officer group. All partners are detailed in the terms of reference. Although in its infancy, the Delivery Partnership is rising to the challenge of responding to Expanding Suffolk's Horizons, focussing on delivering its LAA2 targets and the outcomes from the Economic Summit, held at Ipswich Town Football Club on 4 December 2008. The Delivery

Partnership is focusing on key priorities for improvement and has developed key actions to support this – further information will be provided at the meeting on 29 January. Furthermore, the Delivery Partnership holds shared responsibility (with the adult skills delivery partnership) for the economic participation funding programme. However, dedicated resources for some of the activities is limited and the Delivery Partnership is keen to use performance reward grant from LAA1 and other funding from EEDA that should assist with the implementation of the action plan.

LAA2 – Economic Prosperity 2008-2011 - Progress [as at January 2009]

There are 5 specific indicators included in LAA2 relating to economic prosperity.

NI 152	<p>Working people on out of work benefits (% of working population [16-64 males; 16-59 females] who are claiming out of work benefits).</p> <p>BASELINE: [2007/08] Ipswich 12.9%; Waveney 13.6%</p> <p>LATEST DATA: [2008/09 – Q2] Ipswich 15.2% Waveney 16.1% (Region Av 10.9%)</p>	<p>The latest data suggests an actual increase in the key districts in Suffolk (Ipswich and Waveney) – so performance against this LAA target is currently going in the wrong direction. However, Suffolk has the highest active employment rate in the East of England and is performing significantly better than the national average and levels of unemployment in Suffolk are in line with the East of England average and well below the England average.</p>
<p>NI 154</p> <p>Local Target [LT 9]</p>	<p>Net additional homes provided (LAA target only measures Ipswich, Suffolk Coastal, St Edmundsbury, Babergh).</p> <p>BASELINE: [2007/08] Ips & S Coastal 1,629 [target 3,900] St Eds 358 [target 1,620]; Bab 2 [target 285]</p> <p>LATEST DATA: [2008/09] Next annual update due June 09</p> <p>The number of affordable home commencements on site across Suffolk</p> <p>BASELINE: [2008] Awaiting regional data verification. Expected year end 2008/09</p> <p>LATEST DATA: [2009] Longer term target - 10% projected increase on baseline.</p>	<p>Currently figures are only available for 2007 and that data forms the baseline for the LAA2. Additional points to note are that the numbers of affordable housing units provided in the county has declined year on year since 2004, and Suffolk has the second lowest average house price in the East of England. Interestingly, in Suffolk the gap between what people earn and the average price of a house is higher than in most other parts of the region.</p>
NI 166	<p>Average earnings of employees in Suffolk as a proportion of regional average.</p> <p>BASELINE: [2007] Suffolk 93.1% [LAA target 92.1%]</p> <p>LATEST DATA: [2008] Verified 2008 data expected at year end 2008/09</p>	<p>Suffolk is below the regional average. There is a gap between Suffolk's average weekly earnings and the East of England. However, the inequality gap between what women and men earn is comparatively low in Suffolk. Waveney and Mid Suffolk have the lowest average gross weekly earnings in Suffolk and are both significantly behind the county and East of England averages</p>
NI 172	<p>VAT registered businesses in the area showing growth</p> <p>BASELINE: [2008] Awaiting baseline data : cannot be</p>	<p>Figures are not yet available, however NI 171 ([VAT registration rate] shows the proportion of VAT registrations per 10,000 adults so can act as a proxy measure. The</p>

	confirmed until publication of the national data set	number of business start ups registered in Suffolk increased in 2007, but Suffolk is still behind the East of England average.
Local Target [LT 4]	Increase the % of employment (FTE total) in Suffolk's key sectors BASELINE: [2007/08] Suffolk 26.9% [LAA target : 27.9%]	Ongoing monitoring data is currently being developed and should be available soon.

Refresh of LAA2 indicators / targets (Government Office East).

LAA2 is currently subject to a refresh process which should be completed by February 2009. The process is designed to conclude some of the 'unfinished business' from the original negotiations of LAA2 targets undertaken back in the summer 2008. Suffolk will be revisiting 20 of the 28 'designated' targets and 3 of the 10 local ones to ensure we have robust target measurements in place. There are a range of reasons for why Suffolk is revisiting so many LAA2 targets and some will involve more work than others, for example, the need to set milestone targets where baseline data was previously unavailable and reconsideration of other milestone targets due to the current economic climate. Any relevant information from this meeting can be fed into the refresh discussions.

Appendix 1

Contents

Suffolk's Economic Imperatives

Regional map benchmarking Suffolk against key economic factors: GVA per head of population; Gross weekly pay; business formation; adult attainment at NVQ L4+.

Economically Active Workforce and Unemployment

% workforce (aged 16 to 65) engaged in economically productive activity and current rates of unemployment[*].

Wage inequality (gender gap)

Average weekly wages for economically active persons and the gender gap between what men and women earn – expressed as the actual difference in weekly earnings[*].

Jobs by Industry

Proportion of workforce (employees) engaged in different types of industry[*].

Business formation and survival

% increase in business units (rate of new business formation) and % of new businesses that have survived over 3 years[*].

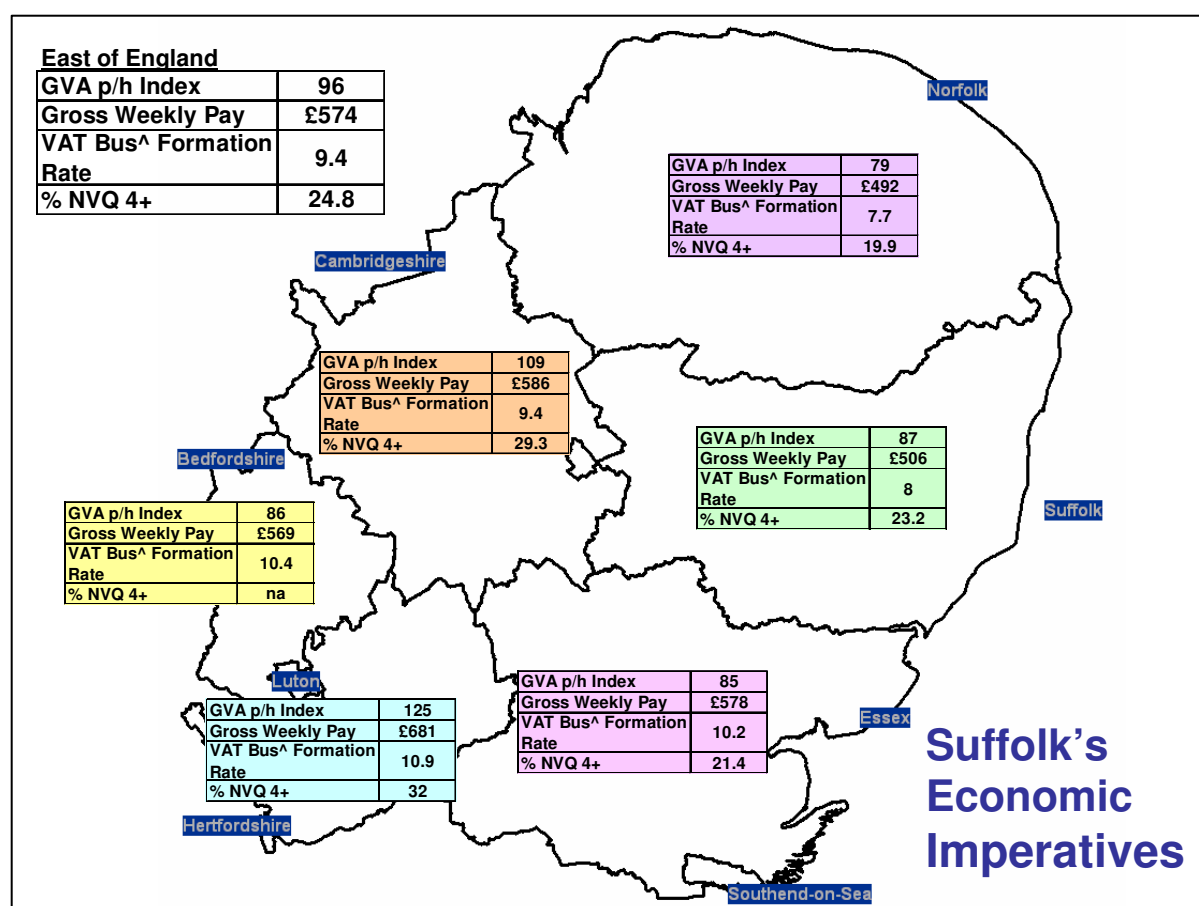
Performance Evidence Pack

Accompanying this report is a performance pack which includes a much more in-depth overview of current improvement activity and related strategies in relation to the theme of Economic Prosperity.

[*] The latest key performance trends correct at Jan 2000 – and comparing Suffolk nationally (against all counties) and also against counties that form the ‘East of England’ region.

Suffolk’s Economic Imperatives

(Environment & Transport Service Office – Economic Statistics, 2008)

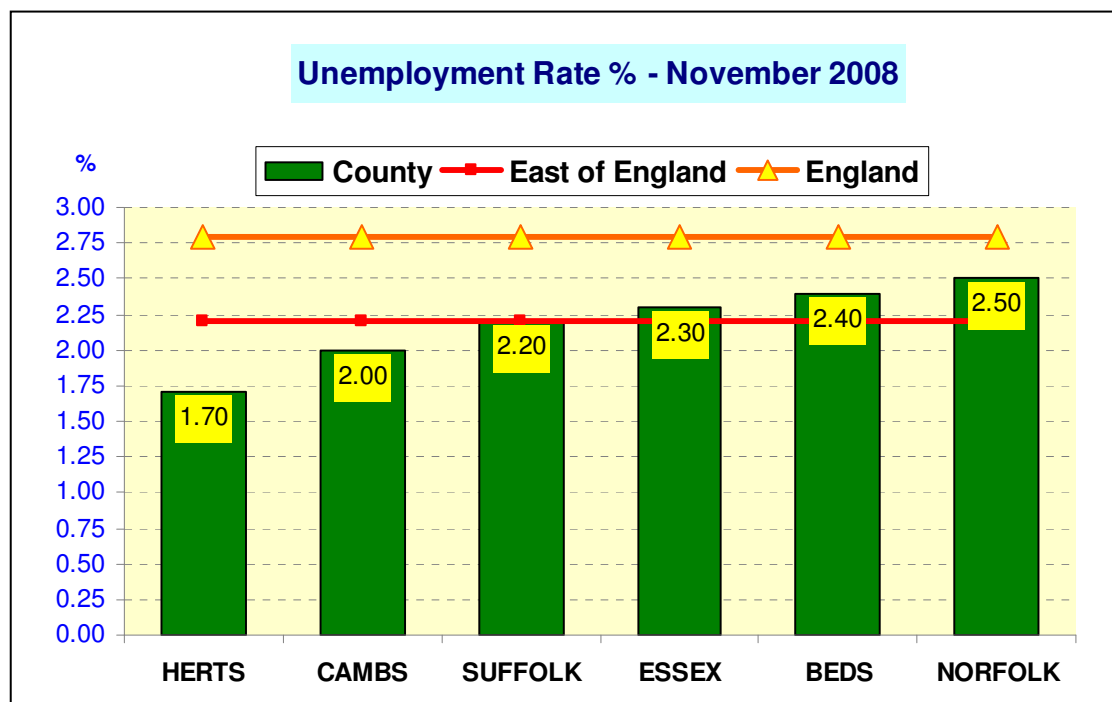
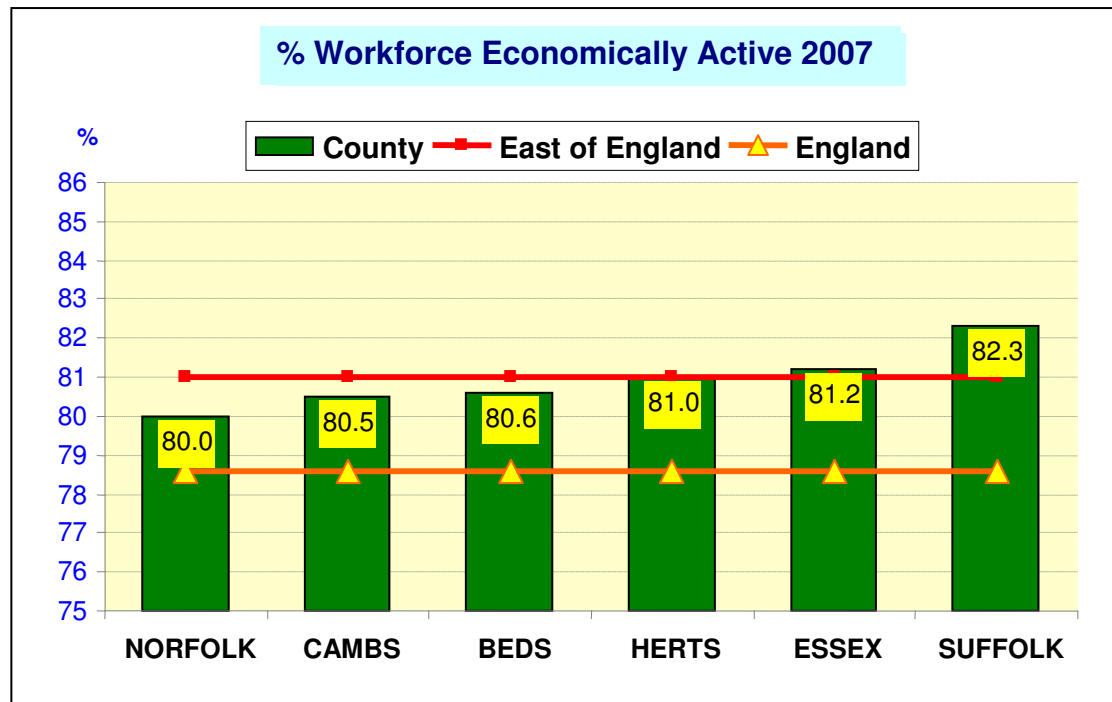


Headlines:

- Suffolk has the second lowest wages in the East of England.
- Skill levels remain low compared to the regional and national averages.
- Almost one in five of Suffolk’s workforce has no formal qualification.
- Almost half of working adults in Suffolk do not have qualifications equivalent to NVQ Level 2.
- According to the latest Suffolk Observatory Statistics, 15.8% of Suffolk’s workforce have no formal qualifications.

Economically Active Workforce and Unemployment

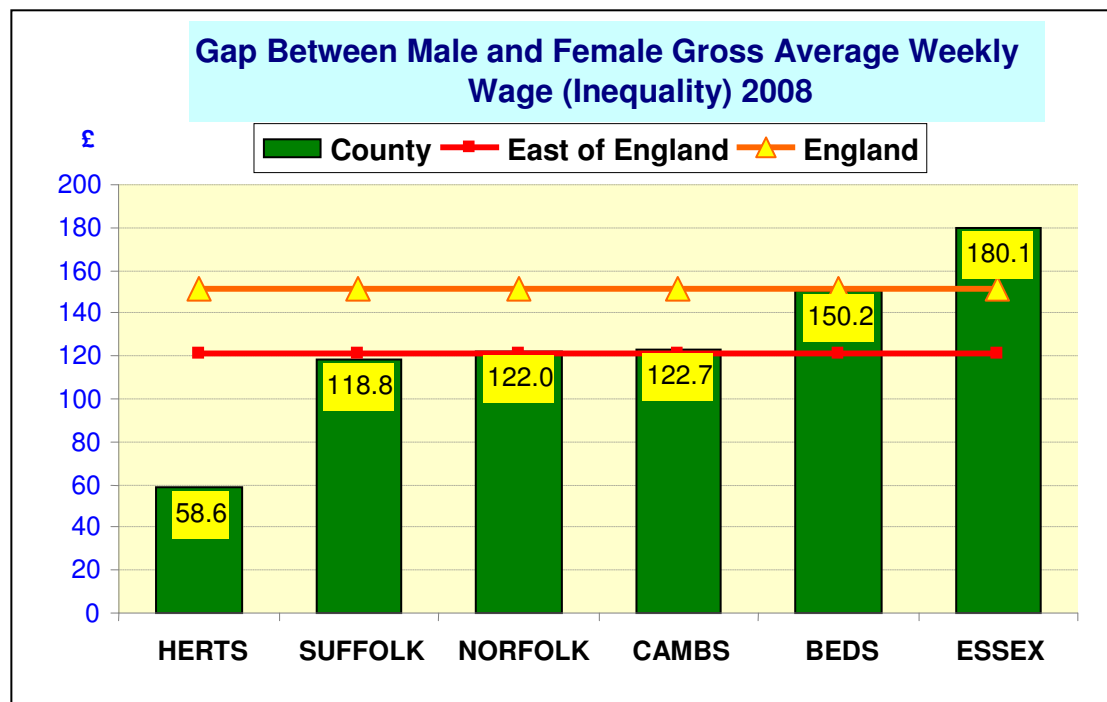
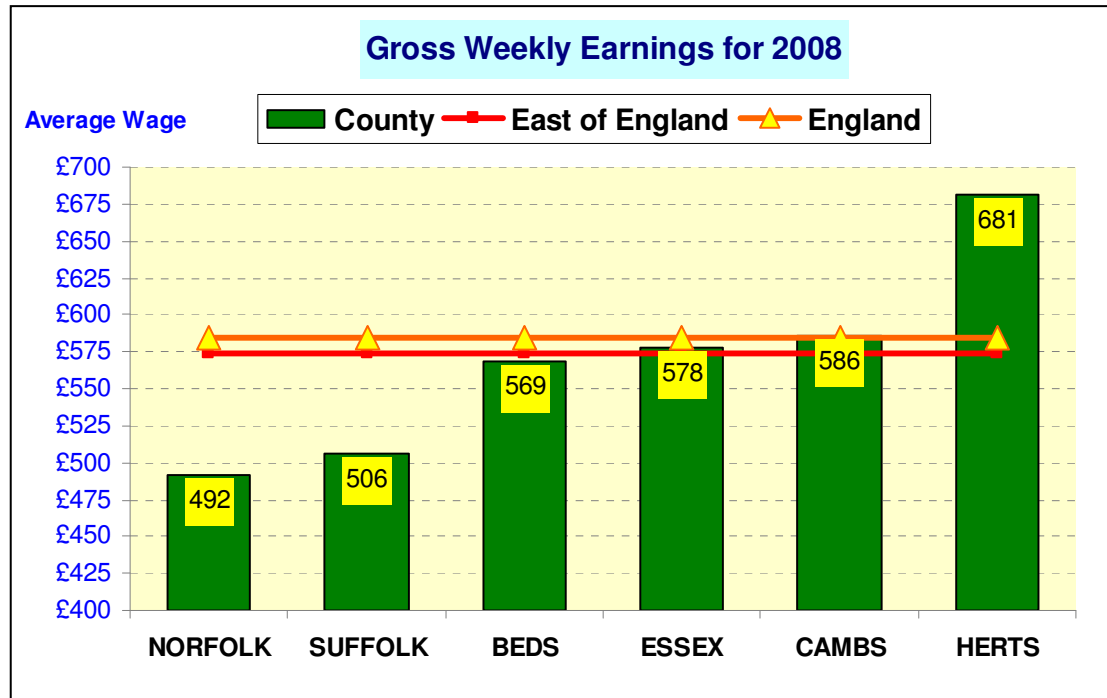
(Suffolk Observatory, 2007)



Suffolk has the highest active employment rate in the East of England and is performing significantly better than the national average. Also, levels of unemployment in Suffolk are in line with the East of England average and well below the England average.

Pay Inequality (gender gap)

(Suffolk Observatory, 2008)



Suffolk has the second lowest gross weekly wage in the East of England and is well below the national average. However, the inequality gap between what women and men earn is comparatively low in Suffolk.

Jobs by Industry - East of England

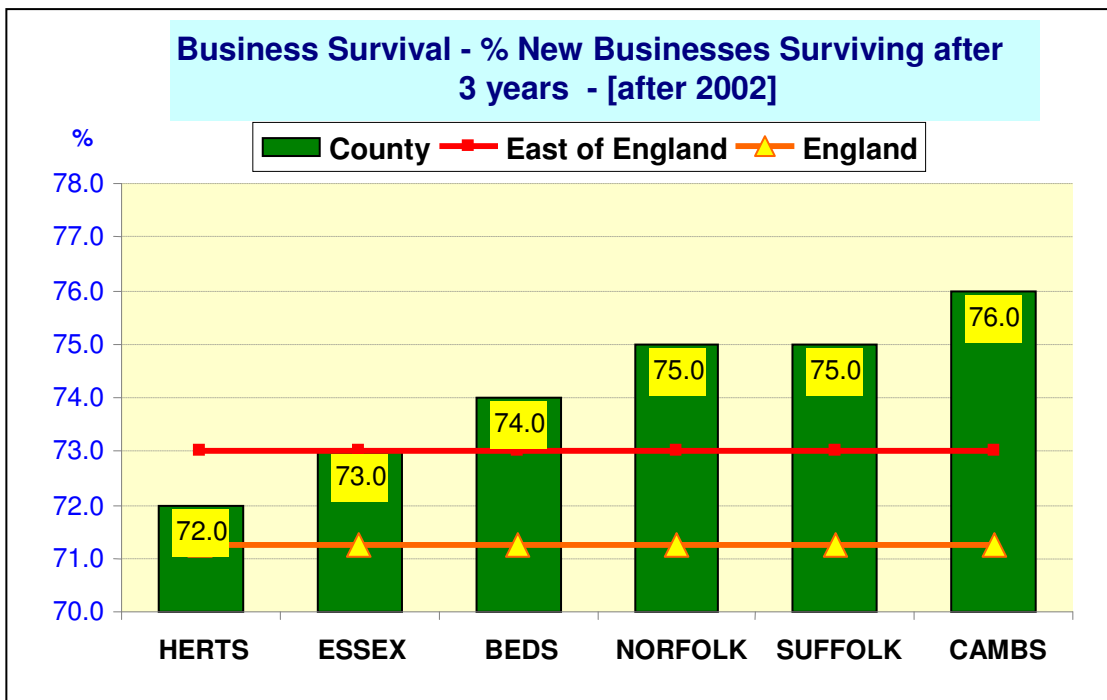
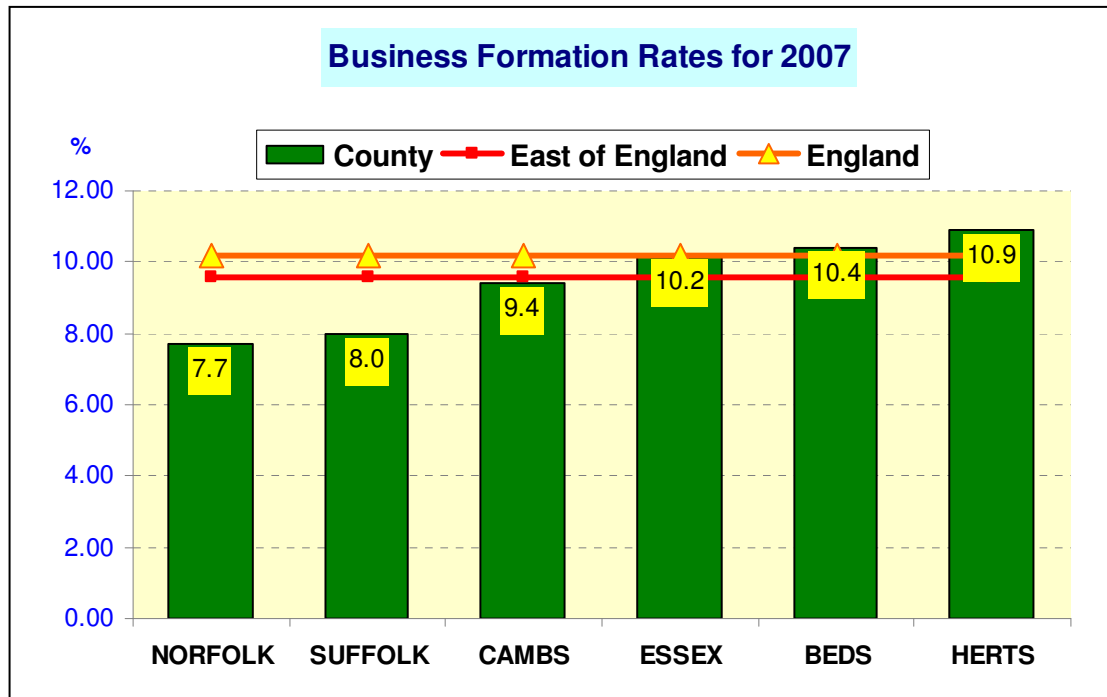
Employment by Industry: 2007 (Suffolk Observatory, 2007)

Employees by Industry	Suffolk	Cambs	Beds	Norfolk	Essex	Herts
Agriculture (%)	0.6	0.6	0.3	0.8	0.3	0.2
Energy (%)	2.7	0.4	0.1	0.4	0.3	0.4
Manufacturing (%)	12.2	12.3	11.4	12.4	9.9	8.5
Construction (%)	5.5	4.0	5.5	5.3	6.2	6.4
Distribution (%)	23.9	20.7	23.7	25.6	26.6	26.8
Transport (%)	7.7	4.6	8.3	4.4	6.9	5.7
Banking (%)	16.1	23.6	20.8	18.7	18.9	25.8
Public admin. (%)	26.1	30.1	24.8	27.9	25.6	21.2
Other (%)	5.1	3.9	5.0	4.5	5.2	5.1

Suffolk has a high proportion of its workforce employed in the manufacturing and construction industries compared with other counties in the East of England. Historically, as these employment sectors can be affected (in respect to a loss of income/turnover) during economic downturns, this may impact on Suffolk's unemployment figures to a greater extent than in other areas.

Business formation and survival

(Suffolk Observatory, 2007)



The business formation rate in Suffolk is low, both regionally and nationally but the business survival rate is relatively high – indicating that, whilst formation rates are lower than in other parts of the region, those businesses which do start up in the county have a better chance of survival.