

# Prosperity & Economic Development Scrutiny Committee

12<sup>th</sup> September 2011

## Performance Report Quarter 4 (April 2010 – March 2011)

### Report of the Chief Executive

#### 1.0 Purpose of the report

The purpose of this report is to provide Prosperity and Economic Development Scrutiny Committee with a performance update against the former national indicators relating to the period April to March 2011.

#### 2.0 Background

Performance against the national indicators, particularly those identified as priorities identified in the former Local Area Agreement (LAA) have been reported to Scrutiny Committee throughout 2010/11 as part of the quarterly performance monitoring arrangements. This report provides the end of year position.

In October 2010 the Government announced that from April 2011 there would no longer be a requirement for council's to produce an LAA. In 2010/11 the Government also announced the demise of the National Indicator set and a move towards self regulation and improvement with an emphasis on reporting against local priorities.

As a consequence the performance framework of Sunderland City Council is being reviewed. A new framework is being developed that focuses on local priorities and the achievement of outcomes relevant to the people, place and economy of Sunderland. The new framework will form the basis of future performance reporting to scrutiny.

#### 3.0 Performance

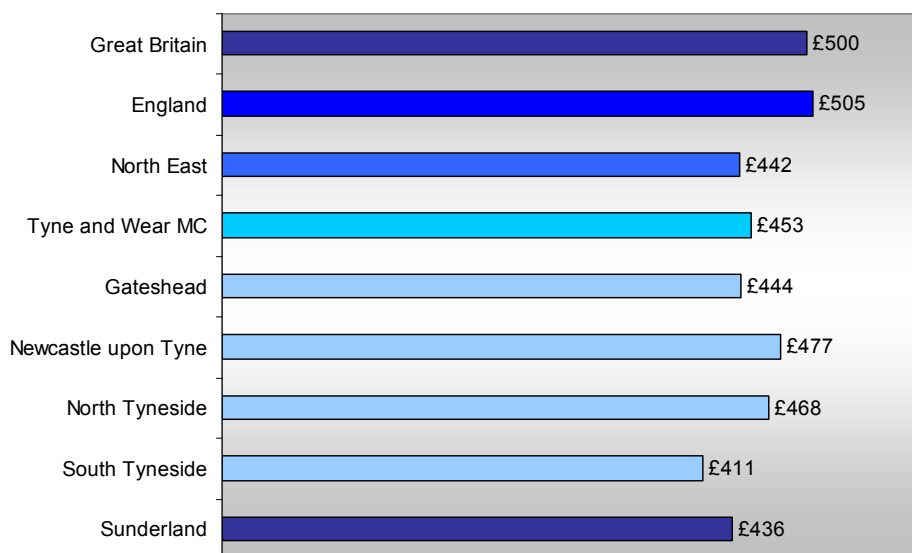
Under the over arching theme of Prosperous and Learning City, the Local Area Agreement 2008 – 2011 included a key objective to *'support economic growth and participation in the economy by encouraging the development of an enterprising culture'*. This key priority was about increasing the number of jobs in the economy, increasing wage levels, increasing recorded business start ups and supporting business growth. It was about reducing the number of benefit claimants by enabling people to gain employment and it was about improving income levels to improve the quality of life of local people.

**The % of working age population aged 16 to 64 in employment (NI 151)** has decreased from 67% as at March 2010 to 63.9% and the target of 70.6% has not been achieved. This national indicator is based on the 'National Annual Population Survey / Labour Force Survey' and relies on a very small sample of just 1%. The employment rate and unemployment rate are clearly related and as the indicator measuring benefit claimants is not based on a sample, this may give a clearer picture at local level.

**The % of working age population aged 16 to 64 claiming out of work benefits (NI 152)** has decreased from 18.4% in November 2009 to 17.3% in November 2010, lower than the projected target of 19%. This may be a reflection of the City's employers responding to the impacts of the recession. This is seen most clearly in the automotive manufacturing sector, where Nissan is now back to pre-recession employment levels, and has set out growth plans that will create hundreds more new jobs in the local economy. In addition, during this period, the 'Just the Job' initiative funded via the 'Working Neighbourhoods Fund' has had a considerable impact on supporting people from out of work benefits, into employment and self employment. **The % of claimants within the worst performing neighbourhoods (NI 153)** has also decreased from 32.9% in March 2010 to 31.1% in March 2011, achieving the projected target of 31.2%.

**The average weekly wage of all full time employees employed within Sunderland (NI 166)** has increased from £406.60 recorded in March 2010 to £436.00 in March 2011, which represents a 7.2% increase compared to a 2.8% increase across Tyne & Wear and a 2.1% increase nationally.

**Median Earnings of Full Time Employees - March 2011**



**The % of business registrations per 10,000 population aged 16 and over (NI 171)** has decreased from 36.6% during 2007 to 27.1% during 2008 which is the latest dataset available from the Department for Business Innovation & Skills. Due to the time lag for this indicator, it does not give a reflection of the impact of recent initiatives. There have been a range of activities around getting local people into work by encouraging them to start their own business, for example, the 'Just the Job' initiative. The package of measures delivered through the 'Just the Job'

initiative has been highly effective, supporting 440 business starts throughout the programme. Over recent years, anecdotal evidence from business start up activity shows a significant increase in the number of local lifestyle businesses which are less likely to develop and grow into VAT registered enterprises and would therefore not be included in the calculation of this NI.

**Appendix 1** provides an overview of the national indicators 2010-2011 associated with Prosperity & Economic Development.

#### **4.0 Recommendation**

That the committee considers progress made by the Sunderland City Council, partners and the Sunderland Partnership and those areas requiring further development to ensure that performance is actively managed.