

Prosperity and Economic Development Scrutiny Committee

Year End Performance Report 2009/2010 Prosperity and Economic Development

Report of the Deputy 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 relating to the period April 2009 to March 2010. This report includes key achievements during 2009/10, residents satisfaction with services and progress in relation to the LAA targets and other national indicators.

2.0 Background

2.1 Members will recall that a new performance framework was implemented during 2008/2009. This includes 198 new National Indicators which replaces previous national performance frameworks. As part of this new framework 49 national indicators have been identified as key priorities to be included in the Local Area Agreement (LAA). Performance against the priorities identified in the LAA and associated improvement targets have been reported to Scrutiny Committee throughout 2009 as part of the quarterly performance monitoring arrangements. The LAA priorities have been a key consideration in CAA in terms of the extent to which the partnership is improving outcomes for local people. CAA was introduced in April 2009 to provide an independent assessment of how local public services are working in partnership to deliver outcomes for an area. However, the coalition government have abolished CAA with immediate effect. Progress in the LAA will continue to be monitored through 2010/11 (which is the last year of the agreement) through the Council and the Sunderland Partnership's performance management and reporting arrangements. The performance will be reviewed when further national direction is available to ensure that it is fit for purpose

As part of the development of Scrutiny particularly in terms of strengthening performance management arrangements, Policy Review recommendations have been incorporated in to the quarterly performance report on a pilot basis. The aim is to identify achievements and outcomes that have been delivered in the context of overall performance management arrangements to enhance and develop Scrutiny's focus on delivering better outcomes and future partnership working. The next progress report will be provided in December 2010.

2.2 **Appendix 1** provides an overview of the position for relevant national indicators and also any local performance indicators that have been retained to supplement areas in the performance framework that are not well covered by the national indicator set.

3.0 Findings

3.1 Key Achievements

The first of over 300 jobs were created for young people in Sunderland as part of the Future Jobs Fund. The Future Jobs Fund is a government employment programme which aims to create jobs for long-term unemployed people, particularly for those age 18-24. The council's involvement in Future Jobs Fund is part of a Tyne and Wear City Region programme which is seeking to create 3,450 jobs before March 2011 through £22 million of funding. Other employers supporting the programme in Sunderland include City Hospitals Sunderland, Gentoo and Sunderland AFC, with work ongoing to create further roles for young people in the near future.

Through the development of the prestigious business park at Rainton Bridge, the Council is building upon the tremendous success of sites such as Doxford International. Npower have announced that they will be relocating its regional HQ onto Rainton Bridge in 2010, bringing 2000 jobs to the city.

We recently won Beacon status for 'Tackling exclusion and promoting life chances'. The authority has demonstrated strong and innovative leadership, a clear strategic direction in which digital inclusion is a cross cutting enabler of the city's on going regeneration and development. Significant programmes of work include technological infrastructure combined with extensive awareness raising, engagement and empowerment activities with communities, business and partnerships throughout the city. Examples include an e-neighbourhood programme involving electronic village halls and e-champions.

A multi-million package of IT training designed to get people into work was awarded to Sunderland after the city scooped first prize in a competition organised by computer giants Microsoft. The £10 million training package was won after we were awarded first prize in the Microsoft Britain Works Challenge. It is part of a campaign to use digital technology to help 500,000 people into work over the next three years.

A new support network has helped over 1,600 people into employment and supported over 250 new business start-ups. Just the Job brings together support services from across Sunderland, to provide a single point of contact for jobseekers and those thinking of setting up their own business. The project is part of the Working Neighbourhoods Programme, which is part of a government drive to promote enterprise and reduce long-term unemployment. Just the Job is delivered by Job Linkage, a range of specialist skills and training providers and an enterprise consortium that employs a network of enterprise talent scouts and business advisors.

3.2 Customer Focus

The Place Survey 2009 shows the importance of job prospects in making somewhere a good place to live has risen significantly (+8%) to be the fifth most important factor (30% of respondents made the statement). When

considering which aspects of their local area require improvement one of the most common responses was job prospects (40%) needs improving. This is also a significant increase on the previous year (+13%).

Community Spirit members were invited to have their say on the future of Sunderland's economy. The council is developing a plan as to how to make Sunderland a more prosperous city with a strong economy, good job opportunities, strong transport links and a vibrant city centre. Events were held across the city and attendees were supportive of the work which had already been undertaken. A number of suggestions were made with regard to key industries for growth, better transport links and how the university can link more closely with employers. These suggestions were used to inform plans as to what needs to be done and what action we need to take.

3.3 Performance

In relation to Prosperity and Economic Development five national indicators are priorities identified in the LAA. An overview of performance can be found in the following table.

NI	Performance Indicator	Performance 2008/09	Performance 2009/10	Trend	Target 2009/10	Target achieved
NI 171	VAT registration rate	33.2 per 10,000 pop	31.3 per 10,000 pop	▼	36.1 per 10,000 pop	✗
NI 152	Working age people on out of work benefits	18.15%	19.5%	▼	19.3%	✗
NI 153	Working age people claiming out of work benefits in the worst performing neighbourhoods	29.75%	27.5%	▲	31.8%	✓
NI 163	Working age population qualified to at least level 2 or higher	65.40%	67.60%	▲	66%	✓
NI 117	16-18 year olds not in employment, education or training	13.2%	9.5%	▲	9.5%	✓

NI 171 VAT registration rate

Of the 4485 VAT registered businesses in Sunderland, 490 are new business registrations at year end which equates to 10.9% for Sunderland. This reflects the onset of the recession and the large rise in unemployment that continued through 2008 but began to fall steadily in 2009 and 2010. In comparison it is 11.1% for the North East and 10.9% for Great Britain. 15.9% of VAT registered businesses in the area are currently showing growth which means that they reported higher employment numbers than the previous year.

A range of improvement activity is being delivered which includes

- Construction of Washington Business Centre
- Working with partners and private sector, encourage investment to deliver site development opportunities (Sunderland Arc, SCC, One NE, HCA)
- Deliver the Local Development Framework, providing clear guidance on physical opportunities and acceptable sustainable land use

- Work with partners to undertake the strategic infrastructure to meet the needs of the Low Carbon Economic Area
- Provide business accommodation, in particular incubator and start-up facilities to a range of different business activities
- Business Enterprise North East: a government-funded service designed to help businesses start up, survive and grow by providing independent and impartial information and advice
- Promote the City as a competitive business location. Working with partners to deliver a range of business support and investment activities.
- Sunderland Business Support Network - provides a range of business support services through partner organisations - advice is available on all aspects of business planning, and a range of specialist subjects, including marketing, new product development, funding sources, financial and legal issues. Partners include NE-BIC, SES, SNCBC, Sunderland College, Sunderland University, Community & Voluntary Sector, Sunderland City Council, Business Link, and the Princes Trust
- Development of Sunderland Software City
- Work with partners to develop a framework and programme of activities to implement the WNS Enterprise Strands

NI 152 Working age people on out of work benefits

There are currently 19.5% of residents claiming out of work benefits in the city, this compares to 18.1% during 2008/2009. Through the £30 million Working Neighbourhoods Fund programme, the council and partners are currently delivering a range of activities aimed at tackling worklessness by enhancing employability and encouraging enterprise. This includes supporting Job Linkage outlets across the city with 1,600 already back into work since April 2009.

NI 117 16-18 year olds not in employment, education or training

The percentage of young people aged 16-18 not in employment, education or training improved this year from 13.2% in 2008/09 to 9.5% in 2009/10. The target of 9.5% has been achieved. A recent comprehensive needs analysis has identified the preferred destination and qualifications for every young person in Sunderland not in employment, education or training. Targeted work with vulnerable groups including young people leaving care and young offenders has increased the number from these groups in employment, education or training to well above national averages. Good links between schools, colleges and employers are increasing the chances for young people to acquire skills.

4.0 Recommendation

That the committee considers the continued good progress made by the council and the Sunderland Partnership and those areas requiring further development to ensure that performance is actively managed.