

**Open Report on behalf of Executive Director for Communities**

Report to:	<b>Economic Scrutiny Committee</b>
Date:	<b>29 October 2013</b>
Subject:	<b>Review Of Performance Target - Jobs Created or Safeguarded</b>

**Summary:**

This paper provides a commentary identifying how the Economic Regeneration Jobs Created or Safeguarded Performance indicator was originally established, looks at how the figure is calculated for each quarter and how we propose to refine the target to make it more relevant to a Commissioning Council.

**Actions Required:**

It is recommended that members:

Note the content of the report and agree to adopt the new target for the 2014/15 financial year, which will be based on the actual 2013/14 performance as a baseline.

## **1. Background**

The Jobs Created or Safeguarded target is one of the few indicators within Economic Regeneration's Service plans that pulls through to the Corporate Business Plan. It is an important target therefore as it represents one of the few measures that the council can use to judge the value of its investment into Economic Development as opposed to other services.

The target is also important as it acts as a general barometer of the impact of our services and initiatives on the population of Lincolnshire.

This indicator is one which has been monitored and reported upon by the Economic Regeneration team since the 2001/02 financial year. Between 2001/2 and 2004/5 the target was an annual figure increasing from 245 (jobs created or safeguarded per year) to 273 jobs per year.

In 2005/06 a revised method of calculation was introduced to reflect the LPSAII ( a Central government Performance Improvement Initiative) challenge. This ran until 2008/9 and was a rolling three year aggregate target starting as 2137 jobs in 2005/6 falling to 2077 in 2008/9. Disaggregating the three year target indicates that

we were expected to deliver approximately 690 jobs created or safeguarded per year with the benefit of enhanced funding of activities that would deliver against the target.

Over the period 2000/01 to 2008/09 only jobs created or safeguarded through Inward Investment or Business Aftercare activities were measured.

The Core Offer process of 2010/11 brought about a reshaping of the council's services and a need to redraft business plans. The target that was adopted for Jobs Created or Safeguarded was an extrapolation of the pre LPSAII Target, tweaked to take account of the recessionary circumstances.

### **Recording Performance Against The Target**

The Jobs Created and Safeguarded output for Economic Regeneration is recorded and monitored through the Engage CRM (Customer Relationship Management) system. Job outputs from all activities undertaken by the Economic Regeneration Department are recorded.

### **Performance Target Analysis**

The Jobs Created And Safeguarded performance target, as currently expressed in the Council's business plan has a number of identified weaknesses. In summary these are:

The target was set using historic performance data derived by looking at jobs created through Inward Investment Activity. We now record and monitor data on jobs created and safeguarded through all of our activity strands. We are therefore not comparing apples with apples.

Our target can be skewed by the delivery of a large number of jobs in one year arising from activity delivered over a number of years. For example Teal Park took five years to develop and then delivered 600 jobs safeguarded in one year with Siemens relocation.

Our current target was set based upon evidence gathered over a recessionary period.

### **Resetting the Target**

It is recognised going forward that our target needs to be made more relevant.

If outputs from all our activities are going to contribute to the annual target then the target needs to be set using a baseline year. 2013/14 is the first full year in which outputs from all of our activities have been recorded. It is proposed that the actual performance at the end of this year should form the baseline for future targets.

It is also considered that as we move to become a Commissioning Council, members may value the ability to see how the investment of money and resources into different types of economic development activity delivers differing quantum of

job outputs (leading potentially to the ability to roughly model how varying packages of services will impact on jobs created). Some minor tweaks to the reporting module within the Engage CRM system should allow jobs created and safeguarded figures for each of our main areas of activity to be measured.

## **2. Conclusion**

The weaknesses of our current jobs created and safeguarded performance target have been identified and articulated.

It is proposed that a stronger more appropriate performance target can be derived by using the current performance year 2013/14 to set a baseline.

By upgrading our CRM system we anticipate being able to disaggregate jobs created and safeguarded performance information against defined areas of economic activity.

## **3. Consultation**

### **a) Policy Proofing Actions Required**

n/a

## **4. Appendices**

These are listed below and attached at the back of the report	
Appendix A	Graph showing historic Jobs Created Safeguarded Target

## **5. Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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