

**AGENDA MANAGEMENT SHEET**

**Name of Committee** Economic Development Overview and Scrutiny Committee

**Date of Committee** 14th November 2006

**Report Title** Corporate Business Plan Target Review

**Summary** This report details the targets set by Environment and Economy Directorate within the Corporate Business Plan 2006/9 regarding Economy and Enterprise medium term priorities.

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**Would the recommended decision be contrary to the Budget and Policy Framework?** Yes/No

**Background Papers** None

**CONSULTATION ALREADY UNDERTAKEN:-** *Details to be specified*

Other Committees  .....

Local Member(s)  .....  
(With brief comments, if appropriate)

Other Elected Members  Councillor P Barnes } for information  
Councillor M Jones }  
Councillor P Morris-Jones }

Cabinet Member  Councillor C Saint – for information  
(Reports to The Cabinet, to be cleared with appropriate Cabinet Member)

Chief Executive  .....

Legal  J Norris - agreed

Finance  .....

Other Chief Officers  .....

- District Councils  .....
- Health Authority  .....
- Police  .....
- Other Bodies/Individuals  .....

**FINAL DECISION**                      **YES/NO**      *(If 'No' complete Suggested Next Steps)*

**SUGGESTED NEXT STEPS :**

*Details to be specified*

- Further consideration by this Committee  .....
- To Council  .....
- To Cabinet  Future meeting .....
- To an O & S Committee  .....
- To an Area Committee  .....
- Further Consultation  .....

**Economic Development Overview and Scrutiny Committee -  
14th November 2006**

**Corporate Business Plan Target Review**

**Report of the Strategic Director for  
Environment and Economy**

**Recommendation**

That the Economic Overview and Scrutiny Committee gives consideration to the targets within the Corporate Business Plan 2006/9 and relays its views on their appropriateness and any suggested improvement to Cabinet.

**1. Introduction**

- 1.1 This report has been written in response to a request by members at Council on 27th June 2006 for Overview and Scrutiny committees to review the targets set within the Corporate Business Plan.
- 1.2 This report details the targets set by Environment and Economy Directorate within the Corporate Business Plan regarding Economy and Enterprise. The following table provides data on the Corporate Headline Indicators for Economy and Enterprise, including historic data showing the trend for each performance indicator.
- 1.3 The table includes the rationale for setting the specific target value.

## Economy and Enterprise Corporate Business Plan 2006/9 Performance Indicators

Medium Term Priority	Improve levels of prosperity for the whole of Warwickshire with priority to the most disadvantaged neighbourhoods					
Actual or Target	2003/4 Actual	2004/5 Actual	2005/6	2006/7 Target	2007/8 Target	2008/9 Target
New VAT registrations per 10,000 working age residents (CHI)	63	58	Data available October	60	60	60
% growth in VAT registered business stocks (CHI)	+1.7%	+ 0.8%	Data available October	+1.0%	+1.5%	+2.0%

**Rationale for target** Both of these indicators are endorsed in guidance produced by the Audit Commission on Economic Regeneration indicators and are widely used in regional and local economic planning. The total business stock provides an overall indicator of the health of the business community and is affected by both the levels of new registrations and de-registrations. The future health of the economy is dependent on the capacity of individuals and businesses to innovate and adapt. Increasing prominence has been given to the need to develop an enterprise culture and the new number of new registrations is a useful indicator of an area's entrepreneurship levels.

### Recommendation

Currently, the targets for total registered stock are percentage growth figures which increase each year – this is likely to be unachievable. A 1.0% increase in the stock of VAT businesses this year equates to an extra 190 businesses – if the target is then raised in the following year (to 1.5%) this equates to an additional 290 businesses, and if the target is raised again in the third year to 2.0% this becomes an extra 400 businesses. To achieve this rate of increase in the business stock must imply a significant change in the level of resource directed towards initiatives aimed at increasing the business population.

Additionally, these targets do not fit with the target for new registrations, which is to maintain a consistent high level of performance (above regional and national averages) based on analysis of historic data. A more realistic target would be for a 1.5% increase each year – this is above regional and national averages and is based on analysis of historic performance data.

Medium Term Priority	<b>Improve the employment potential of Warwickshire's residents and increase sustainable employment opportunities</b>					
<b>Actual or Targets</b>	<b>2003/4 Actual</b>	<b>2004/5 Actual</b>	<b>2005/6 Estimate</b>	<b>2006/7 Target</b>	<b>2007/8 Target</b>	<b>2008/9 Target</b>
% People of working age in employment (CHI)	79.4%	78.0%	79.0%	78%	79%	80%
Proportion of the working age population claiming key benefits (CHI)	10.8%	10.4%	10.7%	10.2%	10.0%	9.9%
<p><b>Rationale for target</b> The percentage of working age people in employment and percentage of the working age population claiming benefits are both endorsed as indicators of local Economic Regeneration in guidance produced by the Audit Commission.</p> <p>The government is working towards an employment rate target of 80%. The main proportion of working age people claiming benefits includes the 2 main benefit claimant groups – incapacity benefit and job seekers allowance. Although it may be expected that these 2 indicators would always be moving in the opposite direction this may not always be the case. The employment rate will be affected by people entering employment who were not previously claiming benefit and some benefit claimants may already be in employment.</p> <p>The employment rate is measured by a government survey. The survey results are subject to sampling error and should be treated as estimates only. Confidence intervals, that give a guide to the reliability of results, are published for the employment rate estimates. The 95% confidence interval for the Warwickshire employment rate actual figure 2004/05 of 78% is +/- 1.6%. This means that 19 times out of 20 we would expect the true employment rate to be between 76.4% and 79.6%. Part-year employment rate estimates from the Annual Population Survey for 2005/06 suggest the outturn for 2005/06 will be close to 79%.</p>						
% Positive destinations for 16+ school leavers (CHI)	92.8%	93.3%	93.6%	93.9%	94.1%	94.3%
<p><b>Rationale for target</b> Connexions monitor the education and employment status of year 11 pupils in November each year, following completion of their statutory education in June. Positive outcomes are continuing in education, government supported training: employment and voluntary activities. Negative outcomes are not in employment or training or young people that Connexions lose touch with.</p>						

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23rd October 2006