

CULTURE, TOURISM & ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

Agenda Item 25
Brighton & Hove City Council

Subject: Local Area Agreement progress report– 08/09
Date of Meeting: 7th October 2009
Report of: The Director of Strategy and Governance
Contact Officer: Name: Lisa Shaw Tel: 29-1131
E-mail: Lisa.shaw@brighton-hove.gov.uk
Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report summarises performance against the first year (08/09) of the 2008-2011 Local Area Agreement. It makes reference to the elements of the Local Area Agreement for which Culture & Enterprise Directorate is directly responsible. For those priorities which are 'red' or off target, further detail is given.
- 1.2 It needs to be noted that the appended delivery plan for the Local Area Agreement was last updated for the end of year report for 08/09 (March 09). These plans are currently being refreshed to reflect 09/10 priorities and a mid-year progress report for 09/10 will be taken to Cabinet on 12th November 2009. There will be elements of this report that no longer accurately reflect the current status quo.

2. RECOMMENDATIONS:

- 2.1 That the committee have an overview of performance against key indicators within the Local Area Agreement and request a mid year update (for year 2 of the LAA) at the next committee in November.
- 2.2 That the committee reflects upon the detail in the report and use this information to direct and recommend future work to improve performance against the agreed priorities in the Local Area Agreement.

3. BACKGROUND INFORMATION

- 3.1 A Local Area Agreement (LAA) is a partnership agreement to take action to tackle the area's most important problems and goals for the future. It is a three year agreement between the council and other public services. 35 key targets are included which are priorities agreed between the council, other public services and the government.

The council, as the area's democratic voice, takes the leading role. It brings together other public services, and representatives of local businesses, and community and voluntary organisations, in the Local Strategic Partnership. This partnership negotiated the Local Area Agreement, a practical plan to move forward the longer term aims set out in the community strategy. Local Area Agreements in this form have been agreed for all parts of England for 2008-11. This is a requirement of the Local Government and Public Involvement in Health Act 2007.

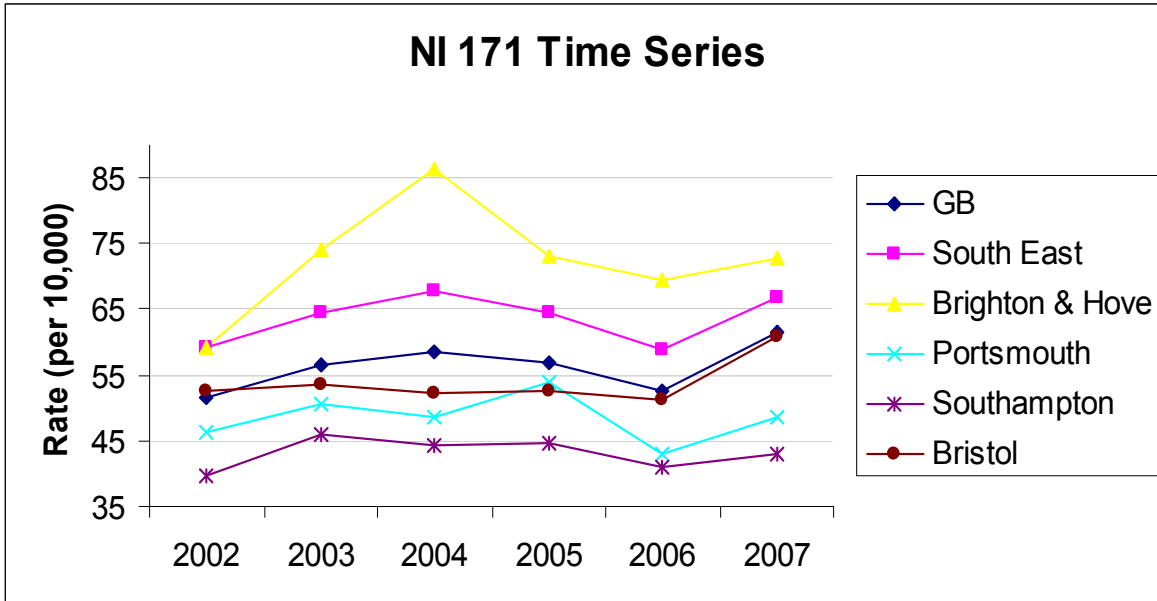
- 3.2 The appended report contains the 08/09 delivery plans for the priorities within the Local Area Agreement (Culture & Enterprise) in Brighton & Hove. These plans are currently being refreshed to reflect 09/10 priorities and a mid-year progress report for 09/10 will be taken to Cabinet on 12th November 2009.
- 3.3 There are 9 indicators included within the LAA for which Culture & Enterprise have direct responsibility. 3 of these are included within the key 35 indicators allowed to be selected within a LAA and the other 6 are known as 'locals', these have no monetary incentive attached to them.

Overview of performance against priorities in the LAA

- 3.4 Of the 9 Culture & Enterprise indicators included within the LAA, 4 are green because they hit their targets set or are on track to meet targets, 2 are grey because they have no data to make any assumptions on progress and 3 are red due to the recession pushing them away from meeting targets.
- 3.5 The remainder of this section outlines more detail information on the indicators around business registration rates, working age benefits and the employment rate and Gross Value Added. These are examples taken from the economic performance monitored in the LAA. The range covers indicators where the performance is on track and some where it is not. For contextual background, reference is made to the key comparator cities of Portsmouth, Southampton and Bristol along with National and South East averages.
- 3.6 ***NI 171 – Business registrations (VAT and PAYE) per 10,000 of the population***

NI 171 is a measure of entrepreneurial activity. A high business registration rate signifies confidence in the local economy, an enterprising culture, a more valuable local economy and more employment.

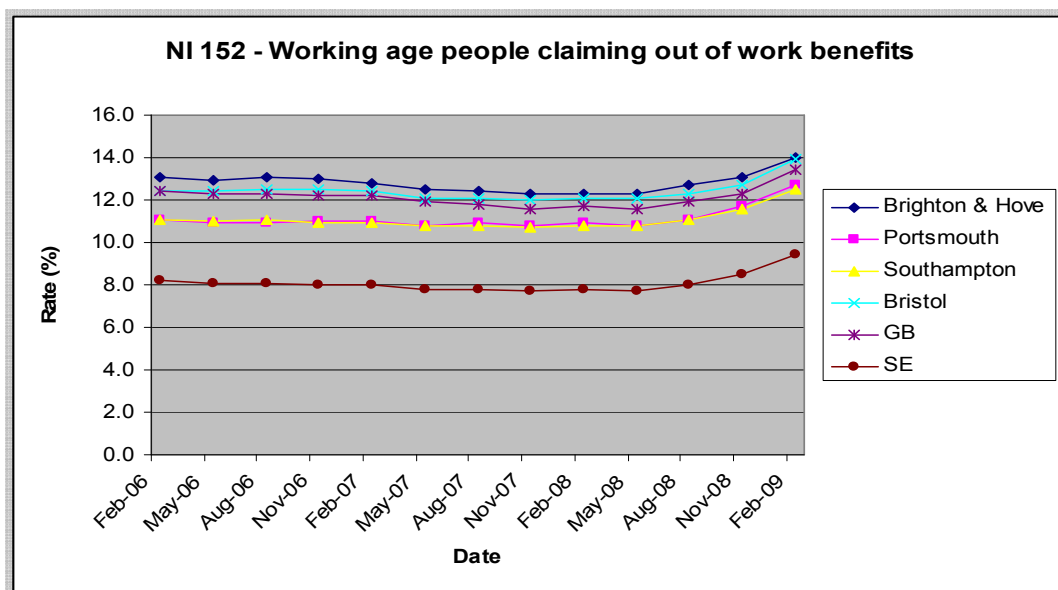
The new business registration rate has been consistently higher in Brighton & Hove than in the South East and GB (see graph below). Further research shows the comparator cities of Portsmouth, Southampton and Bristol are even further behind us than the regional and national rates. This is a clear indication of the high entrepreneurial nature of Brighton & Hove, and our principal aim should be to maintain our advantage over other areas (the South East, GB and Bristol did close the gap in 2007).



The latest result we have for tracking progress against this measure is from 2007 and this shows that there were 72.8 new business registrations per 10,000 of the population in the city. The 2009/10 target is 65.

3.7 NI 152 – Working age population on out of work benefits

This indicator is a measure of economic activity. Areas with a low proportion of residents that are on out of work benefits translate to higher employment, more disposable income and greater income equity. The indicator is measured on a 4 quarterly average basis - data is released with an 8 month lag from real-time. The graph below shows that Brighton & Hove (along with key comparator cities) is clearly affected by the national trend of increased benefit claims since mid 2008.



The

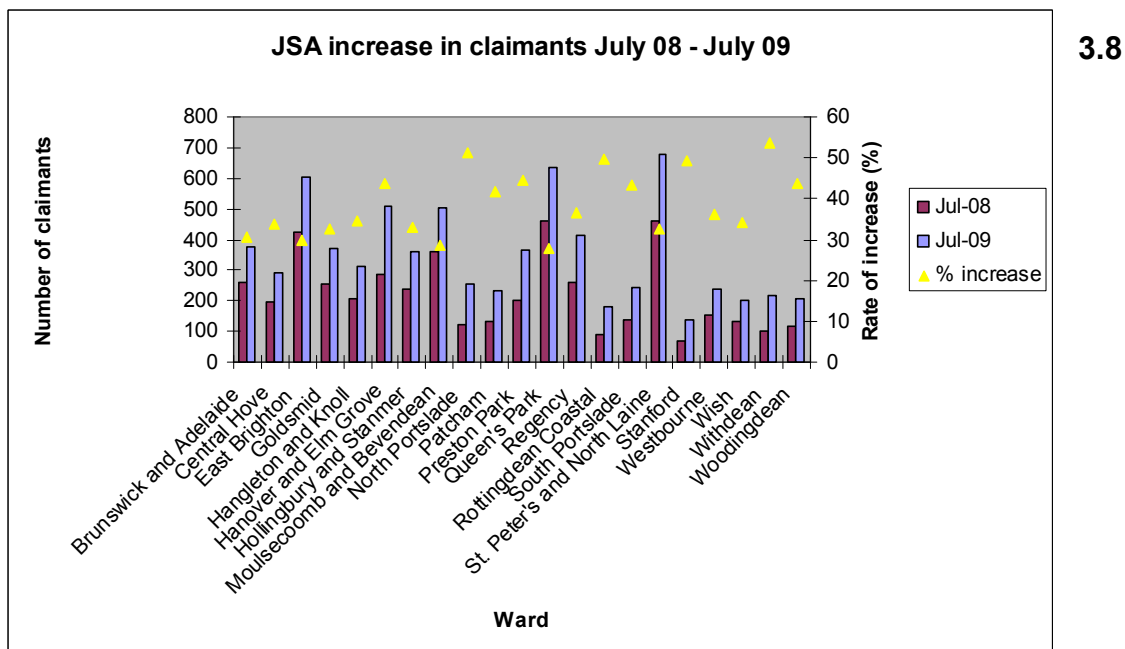
2008/09 target was to see a maximum of 20,630 working age people claiming

out of work benefits in the city however, data released recently clearly indicates that we did not meet the target. The result for NI 152 was 22,213 (a 4 quarter average up until March 09). The 09/10 target is 20,115 and the 10/11 target is 19,612 (set before the recession took hold).

Brighton & Hove's performance against NI 152 should more appropriately be judged in comparison to other cities to get a sense of progress, rather than against actual targets (see graph above). Even though Brighton & Hove has the highest claimant rate of the comparator cities, it has performed as well or better when looking at the rate increase during the past year (Feb 08-Feb 09).

The data informing this indicator is lagged by 8 months to real time, however, in order to track the course this indicator is taking at present time we can draw upon the latest Job Seekers Allowance figures. The number of Job Seeker claims across Britain, the South East and Brighton & Hove has increased by 44%, 52% and 36% respectively between July 08 and July 09.

Uncovering the figures further, demonstrates which areas in Brighton & Hove have seen the largest increases in the claimant count. The graph below gives a breakdown of JSA claims by wards within the city, the number of claims made in July 08 and again in July 09 – tracked by the percentage increase in the number of claimants within a year. It appears that JSA claimants have doubled in Withdean (54% increase) and North Portslade (51% increase), although it needs to be recognised that they still represent a small proportion of the overall picture. Moulescoomb & Bevendean (29% increase) and Queens Park (28% increase) have seen the lowest percentage increases although both wards have had relatively high claimant figures for a number of years.



NI 151 – The percentage of the working age population who are in employment

Data informing this indicator is lagged by 8 months – the latest result tells us that 74% (130,600) of the working age population are in employment within Brighton & Hove. This compares favourably with Bristol at 73.8%, Portsmouth at 73.9% and Southampton with a slightly higher rate of 74.2% working age people in employment. The national average at the same date (4 quarter average up until Dec 08) was 74.2% and the South East with 78.5%. The rate of employment is clearly going to decrease given the information presented above regarding Job Seekers allowance.

However, Oxford Economics (a leading economic forecasting consultancy) predict strong long-term employment growth for the city, 50% faster than the UK average. The recession may halt progress against LAA targets, but long term economic prospects for Brighton & Hove potentially remains good – see table below for detail.

	Increase in 2007 workforce to 2022	Average annual employment growth rate to 2022
Brighton & Hove	12%	0.9%
UK	6%	0.6%

3.9 ***L2 – Gross Value Added per head of the population***

GVA is a measure of the value of the local economy. Gross Value Added sums the added value of all goods and services produced in Brighton & Hove and divides this by the total population of the area. A relatively high GVA per head indicates that the local economy is healthy and productive.

2006 was a good year for the UK economy as a whole, but growth in Brighton & Hove (latest measure available - £19,477) was at a slower rate than other comparators (absolute and per head). The city has a higher GVA per head than the UK, but lags behind the South East and the selected cities (Portsmouth, Southampton and Bristol). Indexed data trends from '95 to '06 shows that per head we are closing the gap with Bristol and Southampton, extending our lead on the UK, but falling further behind Portsmouth and the South East as a whole.

Oxford Economics set economic growth forecasts in 2008 for Brighton & Hove and the UK. Whilst the predictions do look optimistic now, it is positive to see how the city economy is expected to fare better than the UK as a whole (see table below).

	2009 Forecast GVA Growth Rate	2010 Forecast GVA Growth Rate
Brighton & Hove	-0.3%	1.3%
UK	-1.1%	1%

4. **CONSULTATION**

4.1 None

5. FINANCIAL & OTHER IMPLICATIONS:

5.1 Financial Implications:

Evidence of performance against the National Indicators and delivery of Value for Money will be key elements of the Comprehensive Area Assessment. Successful achievement of the LAA outcomes 2008-2011 will attract performance reward grant payable in 2011/12 and 2012/13.

Finance Officer consulted: Anne Silley Date 10 September 2009

5.2 Legal Implications:

The report sets out information as to how the council are performing in respect of local and national indicators and Local Area Agreement targets. Individual reports presented to Cabinet, CMMs and Project Boards relating to specific projects and proposals always include legal implications and it is not considered necessary to reproduce that advice here, given the context of the report.

Lawyer consulted: Bob Bruce Date: 10 September 2009

5.3 Equalities Implications:

The new performance management framework aims to incorporate monitoring of progress against equalities and inclusion outcomes in the city.

5.4 Sustainability Implications:

The new performance management framework aims to incorporate monitoring of progress against sustainability outcomes in the city.

5.5 Crime & Disorder Implications:

No crime and disorder implications arising from this report.

5.6 Risk and Opportunity Management Implications:

The management of performance is important and contributes to avoiding the risk that the councils improvement priorities will not be delivered. Progress against performance indicators informs our risk and opportunity management assessments.

5.7 Corporate / Citywide Implications:

TMT have a performance focus session each month, this is recognised as good practice and allows for both a quarterly overview of the organisations performance against the LAA and more spotlighted discussions on areas that require additional discussion. These discussions will feed into the service planning timetable and establishment of a new Corporate Plan in the future. This is an essential part of the council's performance management framework, providing the link between the new 3 year Corporate Plan and annual directorate and Team plans.

SUPPORTING DOCUMENTATION

Appendices:

1. Local Area Agreement – end of year report 08/09

Documents in Members' Rooms:

1. None

Background Documents:

1. None

