

Introduction

This report shows the progress of the Croydon Enterprise Programme during the first financial quarter (Q1) of Year 3 (2008/09).

The format of this report has been changed in line with comments from the Advisory Board which should ensure that the report is more concise and focussed.

The detailed project summary has been collated and will be published as a separate document.

This report contains the following:

1.0 Progress on Programme Milestones

2.0 Financial Report

3.0 Performance Summary

3.1 Outcomes

3.2 Outputs

3.3 Recommendations

4.0 Programme Risk Register

1.0 Programme Milestones

The following table summarises the progress against key programme activity for 2008/09:

Activity	Q1	Q2	Q3	Q4		Milestone Actual
Milestone Forecast						
• Croydon Enterprise Advisory Board Meetings	★	★	★	★	✓	
• Delivery Strategy 08/11 complete and agreed	★				✓	
• Delivery Plan 08/09 complete and agreed		★				
• Equalities Impact Assessment complete		★				
• Review Risk Management System		★				
• Review of grant agreement		★				
• Launch Toolkit		★				
• Extranet review		★				
• Hold quarterly theme sub group meetings	★	★	★	★	✓	4 sub group meetings held every quarter for each theme
• Submit quarterly sub group report to Advisory Board	★	★	★	★	✓	
• Complete LAA delivery plans		★				
• Agree LAA three year national targets			★			
• Complete LAA returns		★		★		
• Complete Phase 2 of independent evaluation of projects			★			
• Complete quarterly monitoring	★	★	★	★	✓	
• Complete and publish Entrepreneurs handbook	★				✓	
• Complete and publish CE Annual Report 2007/08		★				
• Promotional presence at the Croydon Festival		★				
• Work with delivery partners to deliver enterprise week			★			
• Produce quarterly publication of magazine, targeted press and national media	★	★	★	★	✓	7th edition of CE magazine, local press advert and national press feature published

2.0 Financial Report

Croydon Enterprise has been allocated £40.3 million over five years. The total budget for 08/09 is £8.61 million, which includes £315,029 carried forward from 07/08.

The table below shows forecast and actual spends for Q1 08/09:

	Forecast Quarter 1 (£)	Actual Quarter 1 (£)	Variance 08/09 (£)	
Revenue	1,176,615	1,030,917	-	145,698
Capital	205,397	192,866	-	12,531
Total	1,382,012	1,223,783	-	158,229

The table below indicates actual spend according to theme. A breakdown of spend across individual projects can be found in the Detailed Project Summary which is available on the Croydon Enterprise website.

	Allocated Funding 08/09 (£)	Forecast Q1 (£)	Actual Q1 (£)	Variance 08/09 (£)	
Theme 1 - Potential Entrepreneurs	1,131,043	202,599	166,380	-	36,219
Theme 2 - Business Creation and Business Growth	2,706,703	575,599	511,842	-	63,757
Theme 3 – Business Environment	1,476,830	265,626	225,493	-	40,133
Theme 4 – Business Premises	2,637,000	194,897	199,206		4,309
Programme Support	630,334	143,292	120,863	-	22,429
TOTAL	8,581,910	1,382,012	1,223,783	-	158,229

- Actual spend for quarter 1 is £1,223,783 and the programme has secured match funding of £86,332 for this quarter.
- Total programme underspend is £158,229. All project delivery plans will be re-profiled in quarter 2 to account for underspend and budgets reduced accordingly. Any funding released from projects will revert to the programmes central pool and will be re-allocated to new or existing projects in line with priorities.

3.0 Performance Summary

3.1 Outcomes

The Programme's activities contribute to a range of Local Area Agreement targets and we are now reporting quarterly performance against these targets as well as programme targets, which will provide an indication of outcomes for the programme.

Individual projects have been allocated relevant targets as part of developing and agreeing their delivery plans for 2008/09. Delivery partners are now required to report quarterly against these targets to show how their activities/outputs are contributing to achieving programme outcomes and this will help ensure that service delivery is more outcome focussed.

Table 1 shows quarterly performance against the following:

- LAA national targets for LEGI areas NI171 and NI172. These are borough wide targets which will be monitored centrally by government. Croydon's performance for 2008/09 will not be available until after March 2009, however we are tracking individual projects performance against these indicators.
- LAA local targets LT1-3
- Programme targets 1-8

Table 1

Code	2008-2009 INDICATORS	Quarter 1 Targets	Quarter 1 Actuals	Quarter 2 Targets	Quarter 2 Actuals	Quarter 3 Targets	Quarter 3 Actuals	Quarter 4 Targets	Quarter 4 Actuals	Total to Date	Variance
NT171	Number of VAT registrations	Performance data available after March 2009									
NT172	Number of VAT registered businesses demonstrating growth	Performance data available after March 2009									
LT1 (GoL ref L5)	Number of businesses starting as a result of Croydon Enterprise support (broken down by target group)	62	19	124		187		250		19	-231
LT2 (GoL ref L6)	Number of businesses assisted by Croydon Enterprise demonstrating growth	New indicator - baseline being established 2008/9	29							29	
LT3 (GoL ref L7)	Number of clients from key target groups (a) entering employment and training and the (b) number jobs created as a	269	274	538		807		1076		274	-802
PT1	Number of existing businesses assisted by Croydon Enterprise	625	434	1250		1875		2500		434	-2066
PT2	Number of clients from key target groups participating in the programme	N/A	1429	N/A		N/A		N/A		1429	
	<i>Women</i>	50%	51%	50%		50%		50%		51%	1%
	<i>BME</i>	45%	66%	45%		45%		45%		66%	21%
	<i>Young People(16-24)</i>	11%	4%	11%		11%		11%		4%	-7%
	<i>Young People - NEET(16-18)</i>	8%	2%	8%		8%		8%		2%	-6%
	<i>People with Disabilities</i>	10%	5%	10%		10%		10%		5%	-5%
	<i>50+</i>	10%	11%	10%		10%		10%		11%	0%
	<i>Lone Parents</i>	10%	37%	10%		10%		10%		37%	27%
	<i>People on long term benefits (incapacity benefits)</i>	2%	1%	2%		2%		2%		1%	-1%
PT3	Number of businesses relocating to Croydon	5	7	10		15		20		7	-13
PT4	Net increase in business stock in district centres	13	4	25		38		50		4	-46
PT5	Increase the level of resident satisfaction with district centres	Baseline data to be collected during 2008/9									
PT6	Reduce acquisitive crime - crimes per 1000 population	22.55	5.35	22.55		22.55		22.55		5.35	17.2
PT7	Number of successful early interventions to prevent Anti-Social Behaviour	19	15	39		59		79		15	-64
PT8	Number of young people in employment, education and training	tbc	0	tbc		tbc		tbc		0	

Explanatory note:

Quarterly targets specified in the table are cumulative across the year.

PT6-8 are also LAA targets which the programme does not own but makes a contribution to, these are secondary outcomes

3.2 Key Outputs

Table 2 provides quarterly performance against key outputs for the programme. These outputs provide examples of key activities being delivery to produce overall programme outcomes.

Table 2

<u>Key outputs</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total 08/09</u>
Number of people considering going into business (contacted via outreach or • contacting via the hotline or website)	860				860
• Number of outreach events held	9				9
• Number of calls to hotline	648				648
Number of people receiving course • accreditation	0				0
• Number of pre-start workshops	26				26
Number of participants at pre-start • workshops	195				195
• Number of start up workshops	23				23
Number of participants at start up • workshops	240				240
• Number of business growth workshops	10				10
Number of participants at business growth • workshops	137				137
• Number of VCOs attending events	60				60
Number of clients receiving Test Trading • Grants					
• Number of loans issued	21				21
Fast track assistance offered to business • applications	39				39
Number of applications granted for vacant • units	7				7
Number of clients accessing the Property • Brokerage Service	32				32
Number of shops benefiting from target • hardening under Shop Safe	34				34

3.3 Analysis and Recommendations

This section looks at performance against key outcomes for the programme, provides a brief analysis of current performance compared to previous quarters and makes recommendations for future action.

3.3.1 Outreach and pre-start workshops

- Recruitment of new clients via outreach work, calls to the hotline and numbers at pre-start workshops has reduced in quarter 1 of the new financial when compared to quarters 3 and 4 of 2007/08, where the number of clients recruited was 1522 and 1350 respectively.
- This could be viewed as a disappointing output; particularly as the concerns were raised at the end of 2007/08 on whether the high levels of recruitment was sustainable. This area is vital to the success of the programme which depends on converting pre-start clients to business start ups or enabling clients to access employment or training.
- However reduced levels of client recruitment may indicate that projects are targeting potential entrepreneurs more effectively, and focussing on new clients that have the most realistic prospects of starting a business or gaining new skills which could lead to employment.

Recommendation: CE programme managers to identify any project specific issues that may have contributed to these reduced levels of recruitment and review current marketing and or outreach activities to ensure they are effective. And also to assess if projects are using revised methods for targeting clients which may prove more effective in terms of producing outcomes.

3.3.2 Business start ups

- The number of business start ups has also decreased significantly this quarter (19) when compared to quarters 3 and 4 of the previous financial year, 62 and 136 respectively. The overall target for the number of business start ups is 250 for 2008/09 and individual projects have indicated that they will achieve a much greater number of start ups over the next three quarters (than in quarter 1) which should result in a total of 321 new businesses by the end of the financial year if all individual project targets are met.

Recommendation: As this is a key outcome for the programme, the CE Commissioning Team need to ensure that projects are on track to meet individual project targets for start ups, identifying areas of underperformance early and ensuring remedial action is undertaken as a matter of urgency.

Consideration should also be given to the impact of the current downturn in the economy and any potential impact on this outcome

3.3.3 Training and employment

- The number of clients entering training and employment and the number of jobs created is also a key regeneration outcome for the programme. Performance against this target has been good for quarter 1. 274 clients have been reported entering training or gaining employment, which exceeds the quarterly target of 269 and ensures that the programme is on track to meet the overall annual target of 1076.

3.3.4 Businesses assisted and business growth

- A total of 434 existing business have received direct support for the programme during quarter 1. This level of performance is lower than the quarterly target of 625 and considerably lower than the number of businesses assisted in quarter 4 of the last financial year, when 856 businesses were assisted.
- A key outcome for the programme is to increase the number of VAT registrations and to contribute to businesses growth, this includes VAT registered businesses demonstrating growth. These are the national indicators for LEGI areas. It is important to note here that baseline data from central government relating to these indicators is not available until October 2008 and therefore we have been unable to set three year annual targets. The programme currently has interim targets for 2008/09 which should be amended in October 2008 when new targets are agreed with central government. Performance data for this financial year will be available after March 2009.
- During this quarter 29 businesses assisted by the programme have reported growth and projects have reported 4 businesses have registered for VAT.

Recommendation: Business growth is a new area for projects to report on and some delivery partners have experienced difficulties collecting this data. The CE Commissioning Team need to ensure that these difficulties are resolved and projects are able to report accurately against these indicators for the next three quarters.

There is also an important need to ensure that achieving this outcome is prioritised in terms of service delivery, this will help to build a business case for Croydon to draw down the full allocation of LEGI funding from central government in future years.

Again the impact of the current economic climate should be considered for when reviewing performance in this area.

3.3.5 Target groups

- The programme has achieved its targets for quarter 1, relating women and recruiting clients from BME communities, lone parents and clients over 50.
- Targets for young people, young people who are NEET, clients with disabilities and clients on long term benefits have not been met.
- A number of projects have highlighted issues recruiting clients with disabilities, the development of the new outreach strategy and disabled entrepreneurs strategy should improve performance in this area. Performance relating to young people should also improve once CYPL have agreed their new delivery plan Croydon Enterprise and service delivery resumes.

3.3.6 Business relocating to Croydon and increasing business stock in district centres

- The quarterly target for the number of businesses relocating to Croydon has been exceeded this quarter, however the target for increasing business stock in district centres has not been met.

Recommendation: To ensure that performance improves for these outcomes it is important that the framework and associated budgets are agreed for the Inward Investment project to ensure increased activity in this area. Also the DCMs, Property Brokerage and Business Friendly Planning services should continue to work in partnership to identifying opportunities where joint service delivery could be most effective in district centres.

Conclusion

- Overall projects continue to deliver very positive outputs this quarter, but performance against outcomes raises concerns around whether project activities are converting into outcomes.
- There are also issues on the quality of support provided that will contribute to business growth, levels of effective marketing and whether the programme is recruiting clients that have the potential to start a business or access training or employment opportunities.

Overall recommendation: Detailed analysis is required on current success factors and identifying the type of interventions that have been most effective in producing outcomes, resources should then be targeted at these. This analysis should be carried out by Croydon Business as a key aspect of their co-ordination function.

- Consideration should also be given to the impact of the current downturn in the economy on business start ups, business growth and inward investment, and if this can be addressed through adjusting or increasing support.

4.0 Programme Risk Register

Identifier	Description	Counter-measures	Impact	Probability	Proximity	Risk score	Owner	Date last updated	Current status
DT2.2a	Failure to implement and manage the programme wide Customer Relationship Management system (CRM)	<ul style="list-style-type: none"> ➤ Training and support is being provided by Croydon Business to all delivery partners. ➤ Audit and data integrity reports highlighting usage and accuracy of information will be run regularly, with the programme team being informed, by exception, of key issues. 	5	4	4	13	Brian Stapleton	01/09/2008	Increasing
PS1	Failure of programme to engage with people with disabilities	<ul style="list-style-type: none"> ➤ Partnerships developed with key groups including Disability Croydon, Status Employment etc. ➤ Individual projects have identified ways to improve performance in this area and are developing initiatives ➤ Appropriate equalities training will be provided to delivery partners, which will include best practice for working with people with disabilities. ➤ Close monitoring and intervention if appropriate, including strengthening the working relationship with delivery partners to ensure issues are identified early. 	4	3	4	11	Stella Okeahialam	01/09/2008	Decreasing
PS1	Failure to secure adequate resources to deliver outcomes	<ul style="list-style-type: none"> ➤ The programme is cross-cutting and both directly and indirectly contributes to a number of LAA priorities and targets. ➤ The programme is collecting data to demonstrate how outcomes provide value for money and contribute to a broad range of priorities. ➤ The improved service planning process for 2008-09 has ensured that all projects develop robust delivery plans. This will be built upon for service planning 2009/10 and the commissioning of projects for 2009-11. 	3	3	3	9	Damian Roberts	01/09/2008	Stable
DT1	Failure to engage those clients who would benefit most from the programme	<ul style="list-style-type: none"> ➤ The programme is reviewing progress to date as part of the service planning process for 2008-11. ➤ The programme requires all projects to monitor and report on equalities data. ➤ Analysis of data provided to date will enable us to identify areas of weakness and implement appropriate action plans. ➤ Opportunities to develop the programme in this area are being explored. 	4	3	2	9	Rahima Begum	01/09/2008	Stable

Identifier	Description	Counter-measures	Impact	Probability	Proximity	Risk score	Owner	Date last updated	Current status
PS1	Failure to deliver a co-ordinated and holistic programme of interventions.	<ul style="list-style-type: none"> ➤ The programme team will map products and services across the CE programme to identify duplication / gaps ➤ Thematic co-ordination meetings are held to encourage delivery partners to work together and understand what other services are available under Croydon Enterprise ➤ Croydon Business ensures that business start and business growth services are co-ordinated centrally ➤ The CRM has been implemented across the programme to improve referrals. ➤ The service planning process for 2008-11 has ensured that all projects are reviewed and appropriate remedial action taken to ensure improved service delivery ➤ The delivery partner extranet provides a calendar to enable event planning and co-ordination. 	3	2	2	7	Charlotte Rohan	01/09/2008	Stable
PS1	Required match funding and leverage is not achieved	<ul style="list-style-type: none"> ➤ All projects are reporting on match funding. ➤ Programme Team will work with partners to identify match funding opportunities. 	2	3	2	7	Stella Okeahialam	01/09/2008	Stable
PS1	Failure to secure funding from central government beyond 2011.	<ul style="list-style-type: none"> ➤ Proactively marketing the benefits of the programme to key stakeholders in central government. 	3	2	2	7	Stella Okeahialam	01/09/2008	New
PS1	Failure to achieve outcomes and outputs	<ul style="list-style-type: none"> ➤ All projects have been given challenging yet realistic targets which overcompensate for agreed LAA targets. ➤ Strong management and monitoring systems are in place. ➤ Projects will report by exception, highlighting problems / issues, and provide update reports to an agreed timetable. ➤ Countermeasures are in place, such as programme and project risk registers, to manage key issues. ➤ The programme is reviewing progress to date as part of the service planning process for 2009-11 and has developed an outcome focussed strategy. 	3	2	1	6	Stella Okeahialam	01/09/2008	Stable

Identifier	Description	Counter-measures	Impact	Probability	Proximity	Risk score	Owner	Date last updated	Current status
PS1	Required match funding and leverage is not achieved	<ul style="list-style-type: none"> ➤ All projects are reporting on match funding. ➤ Programme Team will work with partners to identify match funding opportunities. 	2	3	2	7	Stella Okeahialam	29/01/2008	Stable
PS1	Failure to achieve outcomes and outputs	<ul style="list-style-type: none"> ➤ All projects have been given challenging yet realistic targets which overcompensate for agreed LAA targets. ➤ Strong management and monitoring systems are in place. ➤ Projects will report by exception, highlighting problems / issues, and provide update reports to an agreed timetable. ➤ The programme is reviewing progress to date as part of the service planning process for 2008-11 and is looking to develop an outcome focused strategy. 	3	2	1	6	Stella Okeahialam	29/01/2008	Stable
PS1	Failure to involve businesses in the shaping and implementation of the programme	<ul style="list-style-type: none"> ➤ The composition of the Advisory Board will be expanded to include further representation from the business community. ➤ Sub-groups will be established in early 2008 which are business-led. These will provide more detailed scrutiny over specific aspect of the programme, feeding directly into the Advisory Board, with the chair of each sub-group beoming a member of the Advisory Board. 	2	2	1	5	Stella Okeahialam / Charlotte Rohan	29/01/2008	Decreasing

- I Impact If the risk were to occur, what impact would it have? Scored out of 5. 1 = small negative impact, 5 = widespread negative impact
- L Likelihood What is the probability that the risk will occur? Scored out of 5. 1 = not likely, 5 = very likely
- P Proximity When will the risk occur? Scored out of 5. 1 = distant future, 5 = imminently