

Agenda item:

[No.]

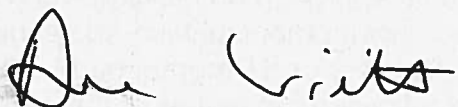
Corporate Committee

20 June 2011

Report Title. Establishing a Shared Economic Development Service

Report of Anne Lippitt, Interim Director, Place and Sustainability

Signed :

 8/6/2011

Contact Officer : Marc Dorfman, Assistant Director, Planning & Regeneration

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Wards(s) affected: ALL

Report for: **Non-Key Decision**

1. Purpose of the report

1.1 To get approval to establish the new Shared Economic Development Service for Haringey and Waltham Forest following the formal consultation with staff and their Trades Unions. The outline service description, and proposed organisational chart and ring fenced recruitment schedule are appended.

2. Introduction by Cabinet Member (if necessary)

2.1. Not applicable

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1 Rethinking Haringey – Outcome 1 Thriving

Regenerating the borough; creating opportunities for employment and educational attainment; tackling low income and poverty; providing a balance of different types of home which offer quality, affordability and sustainability

3.2 Sustainable Community Strategy outcome – Economic vitality and prosperity shared

by all

3.3 Regeneration Strategy - To put People, Places and Prosperity at the heart of regeneration in Haringey.

4. Recommendations

- 4.1. To agree the ongoing work on developing the new shared service including establishing the service based on the appended organisational structure and ring fenced recruitment process.
- 4.2. To have due regard to the authority's public sector equality duties in relation to the agreement of Recommendation 4.1.
- 4.3. As the Council is currently reviewing its approach on tackling worklessness this report focuses on the core economic development service as set out in the Cabinet report of 8 February 2011. Delivery and Programme Management posts will be covered by a separate report following the review of the approach on tackling worklessness in a future Phase 2 of this reorganisation.
- 4.4. To note that this is a separate restructure to the Planning, Regeneration and Economy (PRE) restructure, but will sit within the PRE service. PRE structure is appended at Appendix 3.

5. Reason for recommendation(s)

- 5.1. Haringey and Waltham Forest Councils have already agreed to develop a shared Economic Development Service – to be established by the summer of 2011. This recommendation will enable ongoing work on creating the service to proceed to schedule and secure the efficiencies and savings outlined in 2011/12.

6. Other options considered

- 6.1. Other options considered were maintaining separate services but these would not deliver the scale of efficiencies needed and will not facilitate greater sub-regional working and linkages.

7. Summary

- 7.1. Haringey and Waltham Forest Councils are working to establish a Shared Economic Development Service which will involve collapsing both current services into a single reconfigured service.
- 7.2. This report sets out the establishment of the new shared service and required proposed changes to the current establishment.
- 7.3. The current establishment includes 20 staff including 3 fixed term posts (after 4 have taken voluntary redundancy) with 9 in the core Economic Regeneration service funded through council revenue, 2 in Programme Management funded

through LDA grant (fixed term) and 9 in current direct delivery teams Families into Work and Employment Action Network funded through ABG and LDA grant plus the Future Jobs Fund Co-ordinator funded through ABG (fixed term.) This report focuses on changes to the core Economic Regeneration service funded through council revenue. Programme Management and delivery teams will be covered by a separate report.

7.4. The proposals for a shared service will see a core shared Economic Development service of 8 posts to cover both boroughs. A proposed ring fenced recruitment schedule to these posts is appended at Appendix 1.

7.5. The shared service reorganisation will sit within the wider PRE service. The proposed PRE structure will consist of the following services:

- Building Control
- Carbon Management and Sustainability Service
- Development Management and Planning Enforcement
- Shared Economic Development Service (with Waltham Forest)
- Business Development and Technical Support

Please see Appendix 3 for the proposed structure.

8. Chief Financial Officer Comments

8.1. The draft budget proposals for 2011-12 assume a £75,000 saving from the creation of a Shared Services model for Economic Development. This is based on the new structure being implemented around June/July 2011 and thus three quarters of the full year saving of £100,000 is achievable. The reductions in post numbers are consistent with this level of saving being achievable, although the exact level of saving will only be known once Jobs have been evaluated.

9. Head of Legal Services Comments

9.1. A decision by the Committee with implications for the staffing establishment of this service can only be taken in principle pending the outcome of statutory consultation with the trades unions and consultation with the staff affected. It is noted that this consultation is yet to commence.

9.2. The decision in principle must pay due regard to the authority's public sector equalities duties, including consideration of the attached equalities impact assessments.

9.3. The carrying out of this proposal must comply with the Council's procedures concerning restructuring. The position of staff who may be displaced as a result of this reorganisation will need to be considered under the terms of the Council's procedures regarding redeployment and redundancy.

10. Head of Procurement Comments – [Required for Procurement Committee]

10.1. Not Applicable

11. Equalities & Community Cohesion Comments

- 11.1. An Equality Impact Assessment on the shared service re-organisation has been carried out and is appended to this report (Appendix 2).

12. Consultation

- 12.1. Informal consultations have been undertaken with staff in Economic Regeneration at team meetings in January, February and March 2011
- 12.2. A formal consultation with staff and trades unions was carried out between 4 April and 6 May 2011 including a formal consultation meeting on 11 April 2011.
- 12.3. Responses were received from Unison, a collaborative staff response and 2 individual responses relating to the work roles of programme management staff and suggestions for a new post within the delivery team. The main issues raised were around consultations across two boroughs, recruitment to the new service, location, management, possible redundancies, employment rights, funding of the shared service, the future and make up of the delivery team (funding), governance and accountability of the new service.
- 12.4. The management responses are included in the appended EqIA and also appended at Appendix 4.

13. Service Financial Comments

- 13.1. As per the Chief Financial Officer comments above. Furthermore, any expenditure incurred in the setting up of the shared service will be contained within the existing revenue budget

14. Use of appendices /Tables and photographs

- 14.1. Appendix 1 – Shared Service outline
- 14.2. Appendix 2 – Shared Service Reorganisation EqIA
- 14.3. Appendix 3 – PRE Structure
- 14.4. Appendix 4 – Consultation Responses

15. Local Government (Access to Information) Act 1985

- 15.1. Not Applicable

Appendix 1

A Shared Economic Development Service for Haringey and Waltham Forest

Background

Local authorities are facing substantial spending reductions which will impact on service delivery especially on non-statutory services. Further following Total Place initiatives and the development of the Coalition Government's "Big Society" approach combined with the current efficiency agenda puts shared service delivery in the centre ground of Government policy. No longer can public bodies automatically take the stance that undertaking any activity on a standalone basis is the most cost effective way of going forward. A new Shared Services approach is needed to release efficiencies across the system and support delivery more focused on customer needs. Shared services provide public service organisations with the opportunity to reduce waste and inefficiency by re-using assets and sharing investments with others.

Following agreement at Cabinets in February 2011 work on sharing Economic Development services in both boroughs is progressing.

The Shared Service

Economic Development covers work areas and priorities around employment and skills focussing on tackling worklessness, and attracting investment for business and enterprise with the overall objective of enabling economic prosperity for residents of both boroughs through supporting job creation and local enterprise.

Work programmes and streams covered by a shared economic development service include:

Strategy

- Develop agreed shared strategy and high level outcomes and KPIs
- Implementation and reporting on strategy and outcomes
- Cross-borough partnerships – enterprise, business, employment
- Liaising with and linking sub-regional and regional priorities, initiatives

Tackling Worklessness

- local programme delivery and programme management
- links with the Work Programme
- commissioning and contract management
- external funding
- cross-borough partnerships and delivery
- partnership working with JCP/DWP
- policy and strategy developments and responses
- procurement/contracts and local labour

Working with local businesses

- understand and address skills gaps in the labour market
- broker relationships with private sector businesses to secure job opportunities for local people
- develop and link to local enterprise initiatives
- inward investment

- encourage, support and promote an enterprising culture
- develop business support initiatives leading to job creation
- establishing apprenticeship opportunities
- policy and strategy developments and responses
- procurement/contracts and local businesses

Developing and establishing a social enterprise

- Outsourcing operational delivery of interventions and programmes of activity focussing on tackling worklessness, social inclusion and promoting youth employment initiatives into a new social enterprise.

Location

The Shared Service will have a physical presence in both boroughs with both the Head of Service and Economic Development Manager dividing their times between the boroughs and each borough having access to Economic Development Officers.

Milestones

Phase 1 - Development of service and model via Compatibility Analysis and the Implementation and Engagement Process - January 2011- March 2011

Staff consultation – April/May 2011

Recruitment to Shared Service – July 2011

Phase 2 - Shared Service established with Head of Shared Economic Development Service - August 2011

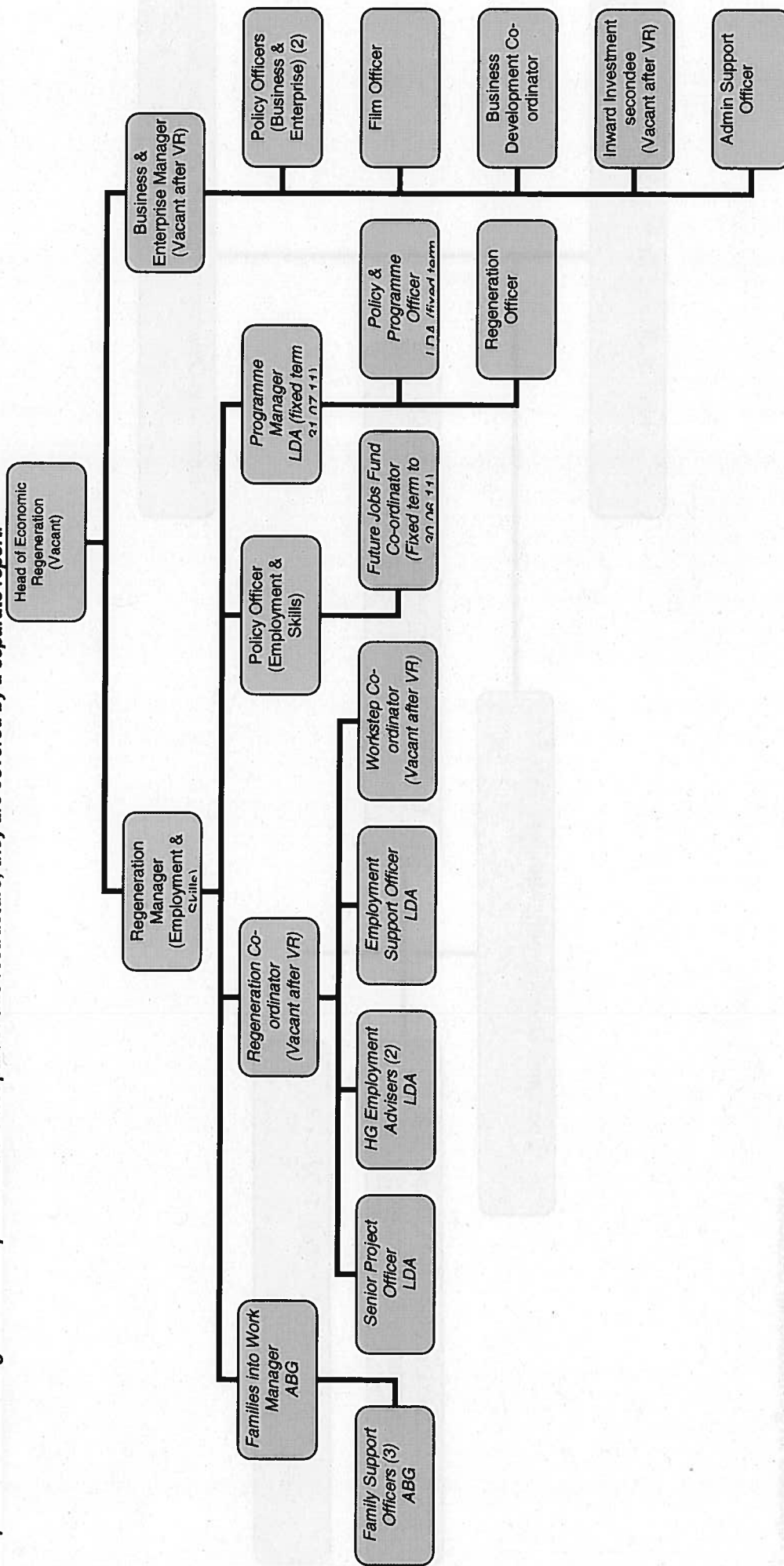
Develop agreed shared strategy and high level outcomes – September 2011

Develop agreed shared KPIs and reporting mechanisms - September 2011

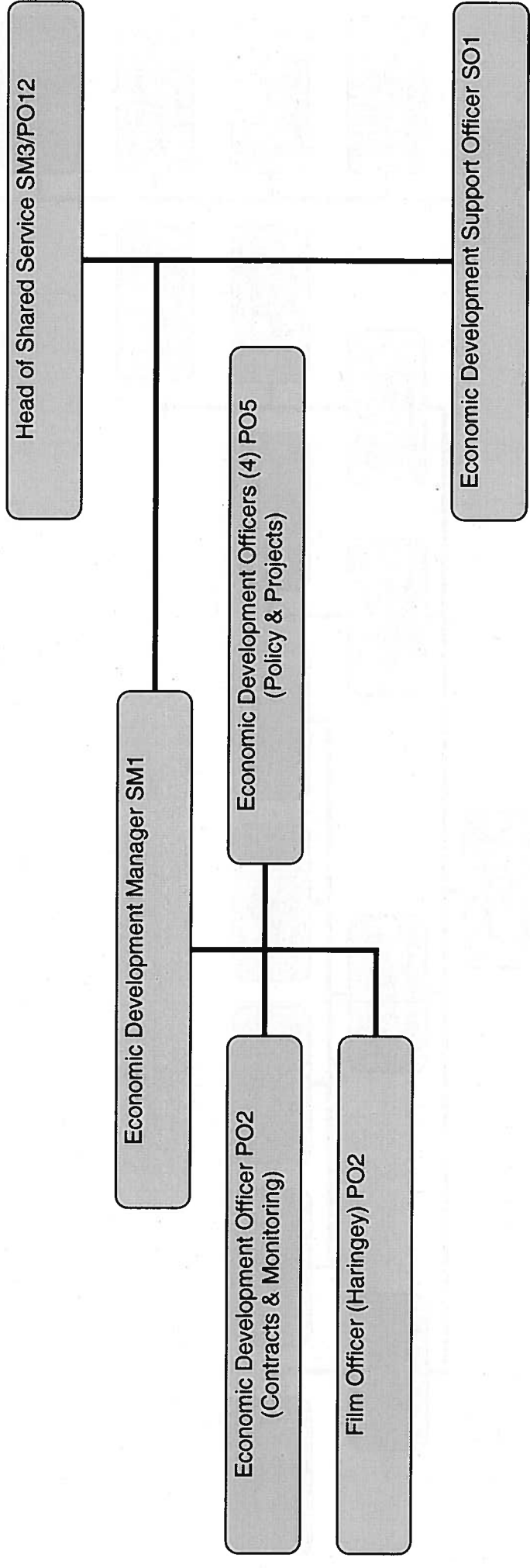
Service work programme agreed – September 2011

Current Economic Regeneration Organisational Chart March 2011

All posts in italics are grant funded posts and are not part of this restructure; they are covered by a separate report.



**Shared Economic Development Service
Proposed Organisational Structure**



Shared Service Costings and Savings

Haringey Economic Regeneration Service Salaries @ June 2011
(including on-costs pension, national insurance of around 30%)

Regeneration Manager (Employment & Skills)
Business & Enterprise Manager (Voluntary Redundancy April 2011)
Policy Officer (Employment & Skills)
Policy Officer (Business & Enterprise)
Policy Officer (Business & Enterprise)
Business Development Co-ordinator
Regeneration Officer
Film Officer (funded through film fees)
Administrator
TOTAL £353004

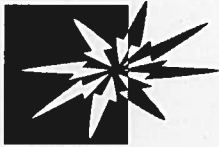
Waltham Forest Economic Development Service @ June 2011

Head of Economic Development
Employment Manager
Project Manager
Employment & Skills Manager
Monitoring Officer
Monitoring Officer
TOTAL £343352

TOTAL Haringey & Waltham Forest Services £694356

Shared Economic Development Service @ August 2011
(including on-costs pension, national insurance of around 30%)

Joint Head of Service	
Economic Development Manager	
Senior Economic Development Officer	
Senior Economic Development Officer	
Economic Development Officer	
Economic Development Officer	
Regeneration Officer	
Regeneration Support Officer	
Film Officer (Haringey) (funded through film fees)	
TOTAL	£466390
Cost of Service to Boroughs	
Haringey	£233195
Waltham Forest	£233195
TOTAL Savings from Shared Service	£227966



Haringey Council

Proposals For Ring Fenced Recruitment

Head of Shared Economic Development Service	Head of Economic Development (LBWF) Closed Ring Fence
Economic Development Manager	Regeneration Manager (LBH) Closed Ring Fence
Economic Development Officer (Policy & Projects) x 4	Closed ring fence Policy Officers (LBH) x3 Project Manager (LBWF)
Economic Development Officer (Contracts & Monitoring)	Open ring fence Business Development Co-ordinator (LBH) Regeneration Officer (LBH) Employment & Skills Officer (LBWF)
Economic Development Support Officer	Administrator (LBH) Assimilated into post
Film Officer (Haringey)	Film Officer (Haringey) Assimilated into post

