



Haringey Council

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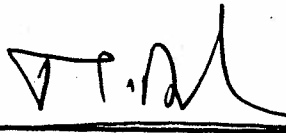
Corporate Committee

20 June 2011

Report Title. Establishing a Shared Economic Development Service

Report of Lyn Gardner, Director, Place and Sustainability

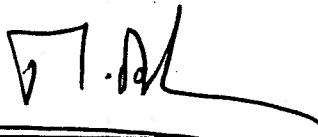
Signed:

 MARC DORFMAN 13/7/11

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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. The Head of Economic Development in Waltham Forest will be seconded to Haringey for 6 months as Interim Head of Shared Economic Development Service to establish the service and develop the service offer for both boroughs including accountability and location.
- 4.3. Recruitment to the posts below Head of Service including Economic Development Manager to proceed as set out in ring fence recruitment schedule in Appendix 1.
- 4.4. To have due regard to the authority's public sector equality duties in relation to the agreement of Recommendation 4.1.
- 4.5. 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 are covered by a separate report and process.
- 4.6. To note that this is a separate restructure to the Planning, Regeneration and Economy (PRE) restructure agreed at the Committee's June meeting, but will sit within the PRE service.

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 are covered by a separate report and process.

- 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
- 7.6 Recruitment to the shared service will be in line with Haringey's and LBWF recruitment processes under restructuring policy and a range of support is available to staff through the Haringey Supporting Change programme to support staff in preparing for interviews etc. Recruitment panels will include staff from both boroughs for the shared service. Previous open ring fences have now been changed to closed ring fences with the exception of the Economic Development Officer (Contracts & Monitoring) which remains an open ring fence. The job descriptions for respective roles for both boroughs are generic and aligned to reflect the respective grades according to the Borough pay grading structure. Normal periods of notice and redeployment will be adhered to for affected staff.
- 7.7 The Head of Economic Development in Waltham Forest will be seconded to Haringey for 6 months as Interim Head of Shared Economic Development Service to establish the service, develop the service offer for both boroughs including accountability and location. Recruitment to the posts below Head of Service including Economic Development Manager to proceed as set out in ring fence recruitment schedule in Appendix 1. The permanent Head of Service post to be recruited to after 6 months.
- 7.8 On employment staff currently employed by Haringey will continue to be employed by Haringey if and when appointed to the shared service, disciplinary and grievances will be dealt with by and under a staff member's employing authority. This will be an interim arrangement until the shared service model is established and long term agreements and arrangements on accountability and governance are established. There will also be considerations for secondment opportunities between both boroughs.
- 7.9 Work is ongoing on establishing the shared service model including governance and accountability. This will include agreements on reviews of shared services. Staff in the respective economic development services are and will continue to be employed by the Authority which employed them prior to the (partnership agreement) and are ultimately accountable to their respective Head of Paid service. To the extent that staff make decisions on behalf or for one or the other

of the authorities, they do so on the basis of specific or general delegated authority from the relevant Authority.

7.10 Staff will continue to work from their current locations and attend relevant meetings in the two boroughs. Staff will also be able to work flexibly in both boroughs. Currently staff attend out of borough meetings and this will not change in the shared service.

7.11 The shared service will be funded by both Haringey and Waltham Forest Councils on an equal 50/50 basis sharing full costs.

7.12 A full service offer will be developed which will set out the service to each borough ensuring parity of service.

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. Delays to establishing the service by September will reduce savings in 2011/12 to £54,000. The reductions in post numbers are consistent with this level of saving being achievable. The total savings from the base budget are £100,000 p.a.

9. Head of Legal Services Comments

9.1. In considering the recommendations, particularly that at 4.1, the Committee should take into account the outcome of the consultation with staff and trades unions presented to the Committee at its June meeting.

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 was presented at the Committee's June meeting.

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 were presented at the Committee's June meeting.

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

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 – August 2011

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

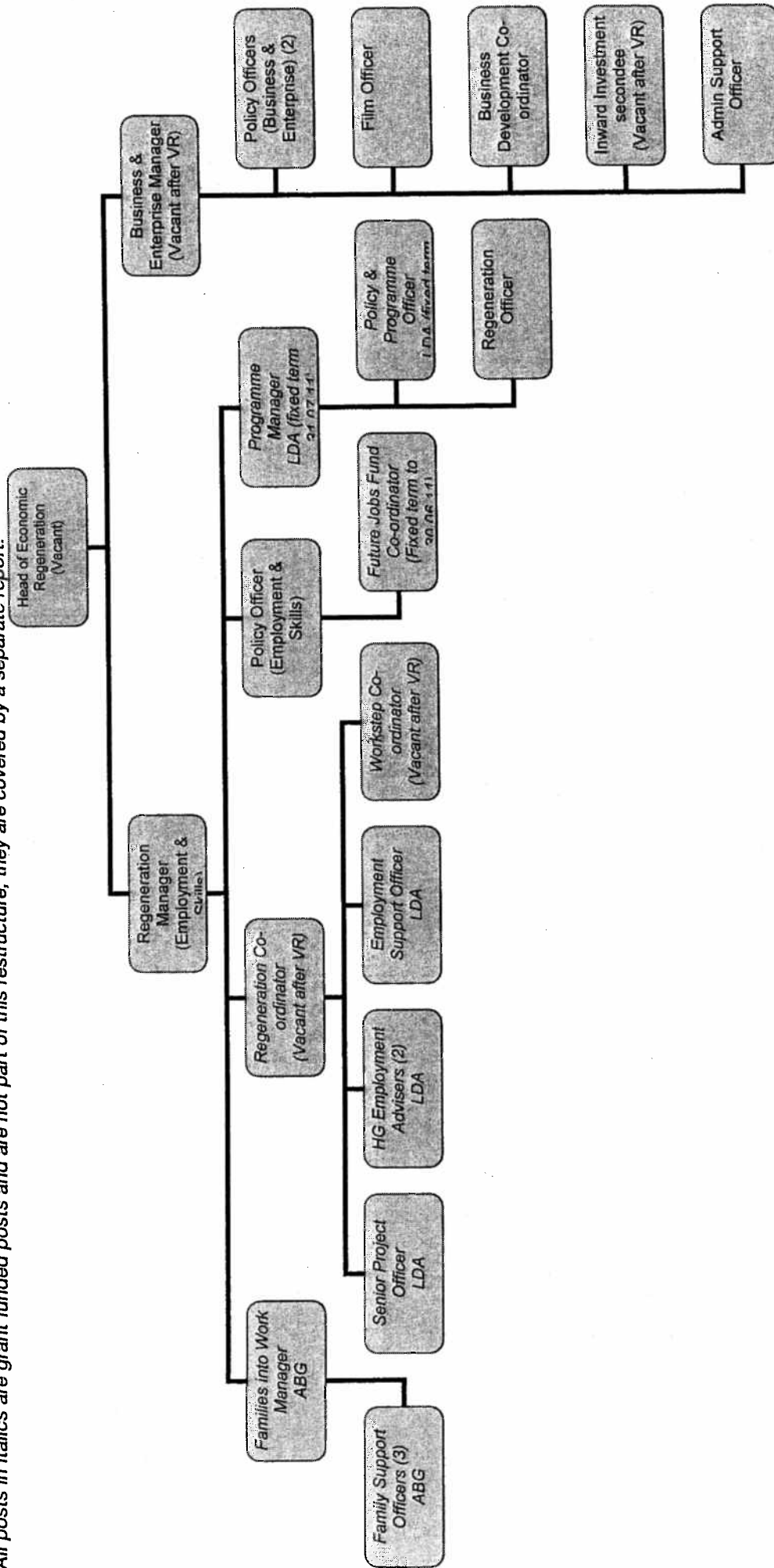
Develop agreed shared strategy and high level outcomes – September/October 2011

Develop agreed shared KPIs and reporting mechanisms – September/October 2011

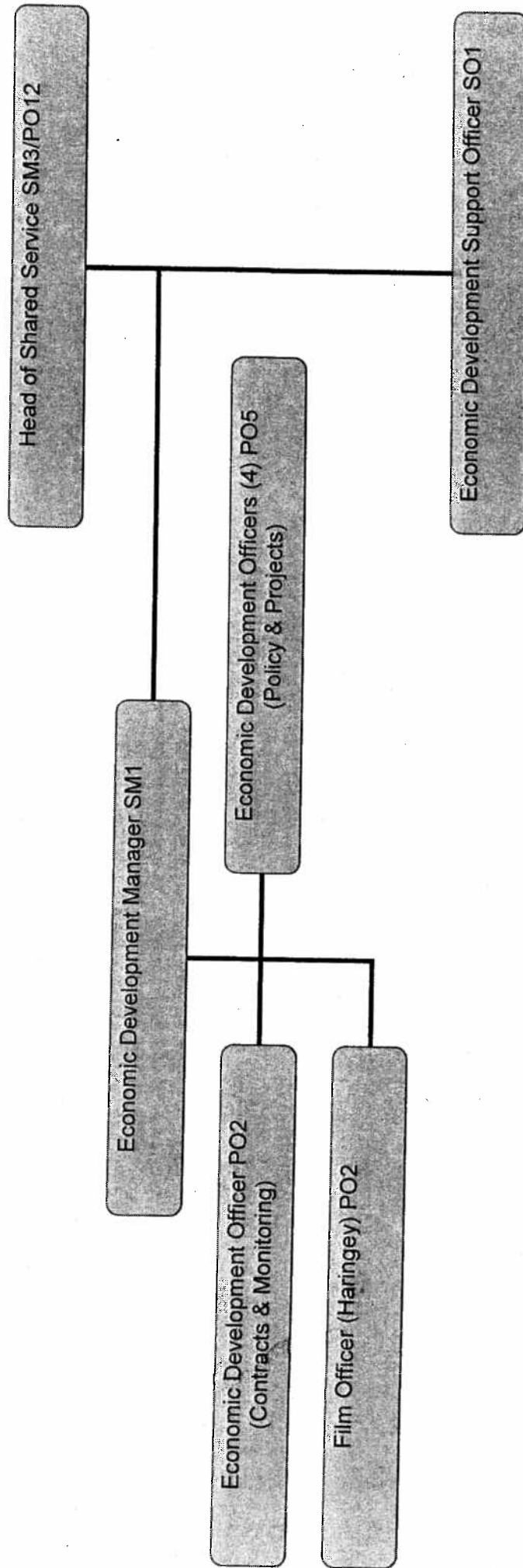
Service work programme agreed – September 2011

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%)

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

Interim Head of Shared Economic Development Service	Head of Economic Development (LBWF) – 6 month secondment
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