

# **Cherwell District Council**

## **Executive**

**7 September 2015**

<p><b>Proposal for a Joint Economic Growth Service with South Northamptonshire Council</b></p>
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### **Report of Head of Strategic Planning and the Economy**

This report is public,  
The appendix to this report is exempt from publication by virtue of paragraphs 2, 3 and 4 of part 1 of Schedule 12A of Local Government Act 1972.

#### **Purpose of report**

This report presents the final business case following consultation for a Joint Economic Growth Service across Cherwell District and South Northamptonshire Councils (hereafter “Cherwell” or “CDC” and “South Northamptonshire” or “SNC” respectively).

The report recommends the formation of a two way Joint Economic Growth Service and in doing so seeks the Executive’s agreement for the non-staffing elements of the business case.

The proposal is part of the wider transformation programme across the two Councils.

#### **1.0 Recommendations**

The meeting is recommended:

- 1.1 To consider the attached final business case and the consultation responses in relation to non-staffing matters as outlined in section 5.1.
- 1.2 To note that the business case will be considered by the Joint Commissioning Committee with regard to staffing matters on 1 October 2015. This will include consultation responses from affected staff and trade union representatives.
- 1.3 To approve and implement the proposed final business case to share a joint Economic Growth Service between CDC and SNC, subject to similar consideration and approval by SNC Cabinet and approval of the staffing implications by the Joint Commissioning Committee.
- 1.4 To delegate to the Head of Strategic Planning and the Economy in consultation with the Leader of the Council any non-significant amendment that may be required to

the business case following the decision by SNC Cabinet and/or the Joint Commissioning Committee.

## **2.0 Introduction**

- 2.1 Following the adoption of a Business Case for Joint Working by CDC and SNC in February 2015 and the commitment to deliver the business case objectives as soon as is practicable the three way transformation programme was reshaped to meet the needs of SNC and CDC pending a decision from Stratford-on-Avon regarding their participation after the election in 2015.
- 2.2 Following the decision of CDC and SNC Councils in February 2015 to approve the final business case for developing the approach to joint working and the delivery of local authority services, all services at both Councils are now included on the policy framework for the consideration of shared working.
- 2.3 This is the first business case for a two way shared service across CDC and SNC to be considered following the adoption of the business case in February 2015 and is part of the on-going Transformation Programme across the two Councils.
- 2.4 This business case does not seek to deliver savings as set out in the joint working business case considered by both Councils in February 2015, but seeks an investment in the service to increase the capacity of the proposed joint team. The proposal is focused on providing the right capacity to support economic growth across the two districts, which will in turn result in an increase in business rate income retained by the Councils.

## **3.0 Report Details**

- 3.1 The draft business case for the Joint Economic Growth Service was endorsed for consultation with staff by the Joint Arrangements Steering Group (JASG) on 8 July 2015 having been previously discussed and endorsed by the Transformation Joint Working Group. The full business case, amended in order to reflect some of the comments made as part of the staff consultation process and to update/correct some of the financial figures included in the draft version, is attached as Appendix 1 to this report.

### **Proposal**

- 3.2 The business case sets out the rationale for establishing a Joint Economic Growth Service across CDC and SNC that could be extended to include additional partners in the future.
- 3.3 Combining the current Economic Development Team at CDC and the Economic Development and Tourism Team at SNC into a Joint Economic Growth Team would provide an improved service to support economic growth by existing businesses and those looking to invest by working together, sharing expertise and best practice (CDC – Business Support, SNC – Visitor Economy, Both – Jobs Club, Jobs Match etc.) and taking advantage of economies of scale and providing resilience.

- 3.4 The service is structured to both meet the economic needs of each district and to address areas of common interest. The work will focus around three themes:
- **Skills and Employment:** Jobs Clubs, Jobs Match etc.;
  - **Business Support:** Business premises/vacancies, business networks, cluster development, advice on business growth, employment land release and inward investment, linking business intelligence across Council services to the new business support unit etc.;
  - **Visitor Economy:** Working with local attractions and with leisure, arts and tourism Council services to promote the area, and exploring a new Destination Management Organisation based on the key attractions (Bicester Village, Silverstone, Towcester Racecourse, Broughton Caste etc.) – increasing visitors, visitor facilities, support and employment etc.
- 3.5 The proposed joint team will also work closely alongside the Business Support Team on the financial modelling of business growth (in CDC/SNC Finance) and with the Environmental Health team (CDC/SNC) on providing the 'Better Business' support to business regulations. This collaboration between the three service areas has been extended to other CDC/SNC services as part of a workstream examining how services for businesses might be enhanced, to show that both Councils are genuinely "open for business".
- 3.6 The proposed joint team will be led by two Senior Economic Growth Officers who would report directly to and be line managed by the Head of Strategic Planning and the Economy. There are two District Lead team leaders rather than a single manager to reflect the different economies and growth priorities in each Councils Economic Development strategies and Local Plans. The two Senior Economic Growth Officers will therefore ensure that the needs of each District are met, as work priorities are established for the team as a whole. All officers within the shared team would work for both Councils and report to both lead officers as required.
- 3.7 The proposed joint team will continue to engage with 3<sup>rd</sup> party providers on behalf of the Councils and will maintain and develop relationships with key partners (Including, Cherwell M40 Investment Partnership, Bicester Vision, Chambers of Commerce, SNC Tourism Forum, SNC Business Forum and the various LEP forums).
- 3.8 The Economic Growth team would consist of 5.54 Economic Growth Officers, 1.0 Graduate Economic Growth Officer and 1.2 FTE Business Support Officers. The work of the team would be managed by the two Senior Economic Growth Officers and would involve matrix management. The team would be a shared resource and officers would work for both Councils, however actual work allocation would be a matter for the Senior Economic Growth Officers.
- 3.9 This limited and proportional increase in the capacity of the team is designed to both maintain the existing level of service which has delivered strong economies in both districts and to extend the service as growth takes places with a large volume of employment land release through the Cherwell Local Plan (223 HA from 2011-2031) and the Joint Core Strategy (140.5 HA up to 2029) for SNC. The proposed joint team will continue to actively work with the UKTI to secure inward investment and business occupancy, which will subsequently result in increased business rate gains.

## Financial Case

- 3.10 The financial implications associated with the business case are set out in detail in Section 15 of the attached business case.
- 3.11 The business case is not based on achieving savings through a reduction in staffing levels, but on supporting substantial economic growth across both districts. As a result, the business case proposes a limited and proportional increase in the size of the joint team. While the proposal increases the capacity across both districts, the proposed service is slightly weighted towards CDC as a reflection of the volume of work, higher number of companies and higher land release within the Cherwell district. As a result of this weighting and the smaller size of the existing CDC team, the proposal is a significant cost increase for CDC and a small cost increase for SNC.

The additional cost to each Council is set out in the table below:

	<b>Annual Cost Increase</b>
Additional Cost - CDC	£88,500
Additional Cost - SNC	£11,500
<b>Total Additional Service Cost</b>	<b>£100,000</b>

Due to the assumptions made in relation to cost allocation there will be a need to review the allocation at year end to reflect the actual time spent on each district, which will be closely monitored to ensure the full delivery of the commitments in each Council's Economic Development Strategy.

## HR Implications

- 3.12 The staffing implications relating to the proposal will be considered by the Joint Council Employee Engagement Committee on 23 September 2015 and the Joint Commissioning Committee on 1 October 2015.
- 3.13 As background information, the expectation is that existing staff would continue to be employed by their current, respective authority under the pay, and terms and conditions of that employing organisation. New and revised job descriptions have been devised in order to standardise responsibilities across the two organisations. The new job descriptions have been through the job evaluation process at each organisation.

## Decision making timetable

- 3.14 The decision of this Executive will be reported to the Joint Commissioning Committee on 1 October 2015, where the staffing implications for CDC and SNC will be considered.

The timetable and recommendations arising from the democratic process for both Councils is outlined in the table below:

#### **Democratic process and decision**

<b>Date</b>	<b>Committee and Council</b>	<b>Decision</b>
07.09.15	CDC Executive	To be determined
14.09.15	SNC Cabinet	To be determined
23.09.15	Joint Council Employee Engagement Committee	To be determined
01.10.15	Joint Commissioning Committee	To be determined

## **4.0 Conclusion and Reasons for Recommendations**

- 4.1 The business case represents a major milestone in the revised transformation programme across CDC and SNC. The proposed joint team would provide an improved and strengthened service to support economic growth in each district by existing businesses and those looking to invest by working together, sharing expertise and best practice and taking advantage of economies of scale and providing resilience.

## **5.0 Consultation**

CDC Lead Member for Estates and the Economy

SNC Portfolio Holder for Economic Development, Regeneration and Housing

Councillor Norman Bolster

Councillor Stephen Clarke

All affected staff within the two Economic Development teams, and Unison Representatives from each Council.

Two way Joint Arrangements Steering Group (JASG)

Transformation Joint Working Group

Chief Executive, Section 151 Officer and JMT.

- 5.1 Consultation with all employees in scope of the proposed business case to create a joint Economic Growth service and the Unison representatives commenced on 22 July 2015 and ran for a period of three and a half weeks until the 14 August 2015 in line with the Councils Joint Organisational Change policy.

The consultation period included a joint initial meeting with employees of both teams along with Unison representatives and subsequent meetings with individuals as requested.

All responses received during the consultation period were recorded on a consultation log along with the answers provided. The full consultation log will be considered by the Joint Council Employee Engagement Committee and the Joint Commissioning Committee prior to a decision being made on the staffing elements

of the business case. A total of 7 responses were received predominantly in relation to specifics in job descriptions and the HR process that would be followed. One query was received in relation to the use of mobile technology (tablets/i-pads) which be considered should the proposal be implemented.

The only non-staffing changes to the business case arising from the consultation process relate to relatively minor matters of accuracy and the updating of financial information. We would like to thank the staff who volunteered this information during the consultation process and those who helpfully enabled us to update the business case.

## **6.0 Alternative Options and Reasons for Rejection**

6.1 The following alternative options have been identified and rejected. The reasons for each option being rejected are set out in section 5 of the business case:

### Option 1: Retain the status quo

Retaining the status quo is an option should Members wish to do so as each team has demonstrated its effectiveness in delivering economic growth and each Council has examples of best practice. However, retaining the status quo would limit the opportunities available to progress the work carried out by Deyton Bell and the recommendations from the LGA report, including collaboration and moving towards an 'open for business' approach. The 'do-nothing' option is not recommended.

### Option 2: Two-way shared service with a single Economic Growth Manager

An alternative two way shared service structure has been considered. This would see an additional post 'Economic Growth Manager' reporting directly to the Head of Service and having line management responsibility over the two team leaders.

This option has been discounted as the preferred option of two Lead Officers is an affordable model that provides geographic focus for the partners and reflects the different priorities and economies of each district. Adding an additional service manager would represent a cost increase on the proposed structure. This option could be re-visited in the future should additional partners join the structure or significant changes occur to the organisational structure of the Councils.

### Option 3: Three-way collaboration and shared service with Stratford-on-Avon District Council.

A three-way collaboration with SDC is certainly a realistic option and has been given serious consideration. However, while it remains possible to progress with certain economic collaboration activities with SDC and this should be encouraged where it benefits all parties, due to the SDC Council decision in December no further formal shared service projects are being considered across the three Councils at this time.

### Option 4: Three-way collaboration and shared service with other partners.

A three-way collaboration with other partners is certainly an option to consider in the future, as there are clear benefits to wider economic growth collaboration.

However, other than SDC (considered above) there are no other existing relationships at a sufficient stage to consider as part of a three-way shared service at this point. The process of developing such a relationship is likely to be lengthy

and while this option should be considered again in the future, it should not be pursued at this time to the detriment of other options.

- 6.2 The approach in the recommendations is believed to be the best way forward. The proposal is to establish a Joint Economic Growth service between CDC and SNC and to begin a programme of collaboration and alignment including the sharing of best practice, aligning strategies and developing common projects.

## **7.0 Implications**

### **Financial and Resource Implications**

- 7.1 The detailed financial implications are set out in section 15 of the business case. However in summary, the additional cost associated with the proposal across the two Councils is £100,000 per annum. The overall increase in cost relates to the additional posts and the fact that certain posts were evaluated at a higher grade than current posts.

There is an expectation that the unit will spend more time on CDC activity and this is reflected in the cost allocation model. Due to the assumptions made there will be a need to review the allocation at year end to reflect the actual time spent on each district, which will be closely monitored to ensure the full delivery of the commitments in each Council's Economic Development Strategy.

There could be redundancy or pay protection costs as a result of implementing the proposal. These are outlined in section 15 of the business case.

Comments checked by:

Paul Sutton, Head of Finance and Procurement, 0300 003 0106  
[paul.sutton@cherwellandsouthnorthants.gov.uk](mailto:paul.sutton@cherwellandsouthnorthants.gov.uk)

### **Legal Implications**

- 7.1 As with all two way shared services this proposal, if implemented, will be covered by the section 113 agreement (as amended) entered into between the two Councils.

Decisions regarding human resources cannot be made by the Executive. Therefore the human resource elements of the business case will be considered by the Joint Commissioning Committee before the Council can be deemed to have approved the business case.

Comments checked by:

James Doble, Democratic and Elections Manager, 01295 221587  
[james.doble@cherwellandsouthnorthants.gov.uk](mailto:james.doble@cherwellandsouthnorthants.gov.uk)

### **Risk Implications**

- 7.3 Section 15 of the draft business case sets out the risk implications.

The risks associated with the HR elements of the business case relate to the usual range of employment risks which will be considered by the Joint Council Employee Engagement Committee and the Joint Commissioning Committee. The Councils

have HR policies in place to ensure that the change is managed in line with best practice and the law which mitigates these risks as far as possible.

Comments checked by:

Jo Pitman, Head of Transformation, 0300 003 0108

[jo.pitman@cherwellandsouthnorthants.gov.uk](mailto:jo.pitman@cherwellandsouthnorthants.gov.uk)

### **Equality Implications**

- 7.4 An Equality Impact Assessment initial screening assessment has been carried out and it has been determined that the proposal does not have any adverse impact on equality groups and as a result a full impact assessment and associated action plan is not required. This is included as part of the business case in Appendix 1.

Comments checked by:

Caroline French, Corporate Policy Officer, 01295 221586

[caroline.french@cherwellandsouthnorthants.gov.uk](mailto:caroline.french@cherwellandsouthnorthants.gov.uk)

## **8.0 Decision Information**

### **Key Decision**

**Financial Threshold Met:** Yes

**Community Impact Threshold Met:** Yes

### **Wards Affected**

All

### **Links to Corporate Plan and Policy Framework**

Cherwell, a district of opportunity

### **Lead Councillor**

Councillor Norman Bolster – Lead Member for Estates and the Economy

### **Document Information**

<b>Appendix No</b>	<b>Title</b>
1	Joint Economic Growth Business Case
<b>Background Papers</b>	
None	
<b>Report Author</b>	Adrian Colwell, Head of Strategic Planning and the Economy
<b>Contact Information</b>	0300 003 0110 <a href="mailto:Adrian.colwell@cherwellandsouthnorthants.gov.uk">Adrian.colwell@cherwellandsouthnorthants.gov.uk</a>