

South Northamptonshire Council and Cherwell District Council

Joint Commissioning Committee

1 October 2015

Proposal for a Joint Economic Growth Service

Report of the Head of Strategic Planning and the Economy

This report is public.

The appendices are 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 Joint Commissioning Committee’s agreement for the 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 responses to the consultation process with the affected staff and trade union representatives received as detailed in the consultation log and from the Joint Councils Employee Engagement Committee (attached as an appendix) and whether any amendment to the business case is required as a result of them.
- 1.2 To note that the business case was considered in respect of non-staffing matters by CDC Executive on 7 September 2015 and approved, subject to similar consideration and approval by SNC Cabinet and approval of the staffing implications by the Joint Commissioning Committee.
- 1.3 To note that the business case was considered in respect of non-staffing matters by SNC Cabinet on 14 September 2015 and approved following similar consideration and approval by CDC Executive, subject to consideration and approval of the staffing implications by the Joint Commissioning Committee.

- 1.4 To approve the staffing aspects of the final business case to share a joint Economic Growth service between SNC and CDC and to delegate to the Head of Strategic Planning and the Economy in consultation with the Chairman of the Joint Commissioning Committee any subsequent non-significant amendment that may be required to the business case.

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 3rd 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 exempt 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:

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

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.

Decision making timetable

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

Democratic process and decision

Date	Committee and Council	Decision
07.09.15	CDC Executive	Approved, subject to similar consideration and approval by SNC Cabinet and approval of the staffing implications by the Joint Commissioning Committee.
14.09.15	SNC Cabinet	Approved following similar consideration and approval by CDC Executive, subject to consideration and approval of the staffing implications by the Joint Commissioning Committee.
23.09.15	Joint Councils Employee Engagement Committee	To be determined.
01.10.15	Joint Commissioning	To be determined.

	Committee	
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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

All affected staff within the two Economic Development teams.	Positive feedback given, with very few changes.
Unison Representatives from each Council.	Positive feedback given with no changes.
Two way Joint Arrangements Steering Group (JASG)	Endorsed business case for staff consultation.
Transformation Joint Working Group	Endorsed business case for consideration by JASG.

- 5.1 Both Councils are committed to maintaining a strong, positive and inclusive approach to industrial relations. With this in mind, it is important to explain at the outset that consultation with the affected staff and trade union representatives takes place prior to members' consideration of any business case or restructure so that members can take account of any views/representations and /or issues as part of their decision making process.

The manner of consultation helps to reassure the affected staff and trade unions that they do have a voice that will be heard by those who are responsible for making decisions. The timing, extent and approach adopted towards consultation is an important part of the process, particularly as the intention is always to facilitate a meaningful consultation dialogue.

Consultation with all employees in scope of the proposed business case to create a two way shared Joint Economic Growth team and the Unison representatives both Councils commenced on Wednesday 22 July 2015, and run for a three week period, until Friday 14 August 2015 at 5pm.

The consultation log attached therefore includes the responses to the consultation between these periods of time

There are no proposed changes to the proposed staffing structure as a result of the consultation.

The only changes to the business case arising from the consultation process relate to relatively minor matters of accuracy relating to job description; and one other level of professional membership.

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.

During the consultation period various forms of consultation have taken place to ensure that each employee and the recognised trade unions have had the opportunity to engage in the process, and to express their views/representations on behalf of their members, notably through:

- An employee briefing meetings was held to ensure that as far as possible, all of the affected staff received the same message at the same time;
- Meetings with individuals;
- Maintenance of an active consultation log;

The consultation log of comments made by the affected staff and/or their trade union representatives, and the response of management is attached at Appendix 2 for members' consideration.

5.2 Summary of Consultation Process

The consultation process has generated a range of responses. In total, to date, we have received and responded to 7 questions seeking clarification on particular issues or simply making statements.

There were no suggested changes to the proposed staffing or operating structure.

6.0 Implications

Financial and Resource Implications

- 6.1 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:

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Legal Implications

- 6.2 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 CDC Executive or SNC Cabinet. 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.

A redundancy situation arises where the requirement of the employing council for work of a particular kind to be undertaken are expected to cease or diminish as a result of the proposed changes.

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6.3 HR Implications

It is the traditional approach of CDC and SNC to consult staff and the trade unions on a detailed staffing structure arising from any business case for change, prior to consideration by members. This has the effect of enabling members to consider the views and any representations of the staff and trade unions before making their final decision on any such proposals, and ultimately ensures that the Councils meet their statutory obligations to undertake a meaningful process of consultation prior to a decision being made.

This model has the advantage of allowing staff to identify whether their existing jobs will be deleted; to consider the detailed job descriptions of any proposed new roles and to identify whether there are any opportunities for promotion or other career aims to be met. They can see whether their hours of work might alter, whether their salaries will change (up or down), or whether their work location will change. They are able to comment upon the proposals in the knowledge that members will give due regard to their comments before making a decision.

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.

The implementation process will be in accordance with the joint Organisational Change policy.

Comments checked by:

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Document Information

Appendix No	Title
1.	Joint Economic Growth Business Case
2.	Final Consultation Log with actions
Background Papers	
None	
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