

MAIDSTONE BOROUGH COUNCIL

CABINET

28th June 2013

REPORT OF THE DIRECTOR OF REGENERATION AND COMMUNITIES

1. ECONOMIC DEVELOPMENT TEAM STRUCTURE

1.1 Issue for Decision

1.1.1 To consider the proposed restructure of the Economic Development team.

1.2 Recommendation of the Director of Regeneration and Communities

1.2.1 That the Cabinet:

1.2.2 Approves the proposals set out in the exempt appendix subject to consultation with staff and the trade unions;

1.2.3 Delegates authority to make changes to the proposals following the staff consultation, to the Chief Executive, in consultation with the Head of Human Resources and the Leader of the Council;

1.2.4 Approves the growth in base budget for the additional posts, on a phased basis during the period 2013/14 to 2015/16, with the use of growth point revenue grant to cover the gap in the base budget to 2015/16.

1.3 Reasons for Recommendations

1.3.1 In 2010, the Cabinet undertook a comprehensive prioritization exercise, that covered all the council's services, in order to inform the Strategic Plan and the Medium Term Financial Strategy. The Cabinet prioritization concluded that economic prosperity was the council's overarching priority and Economic Development was identified as the only council service in which growth and investment would be considered.

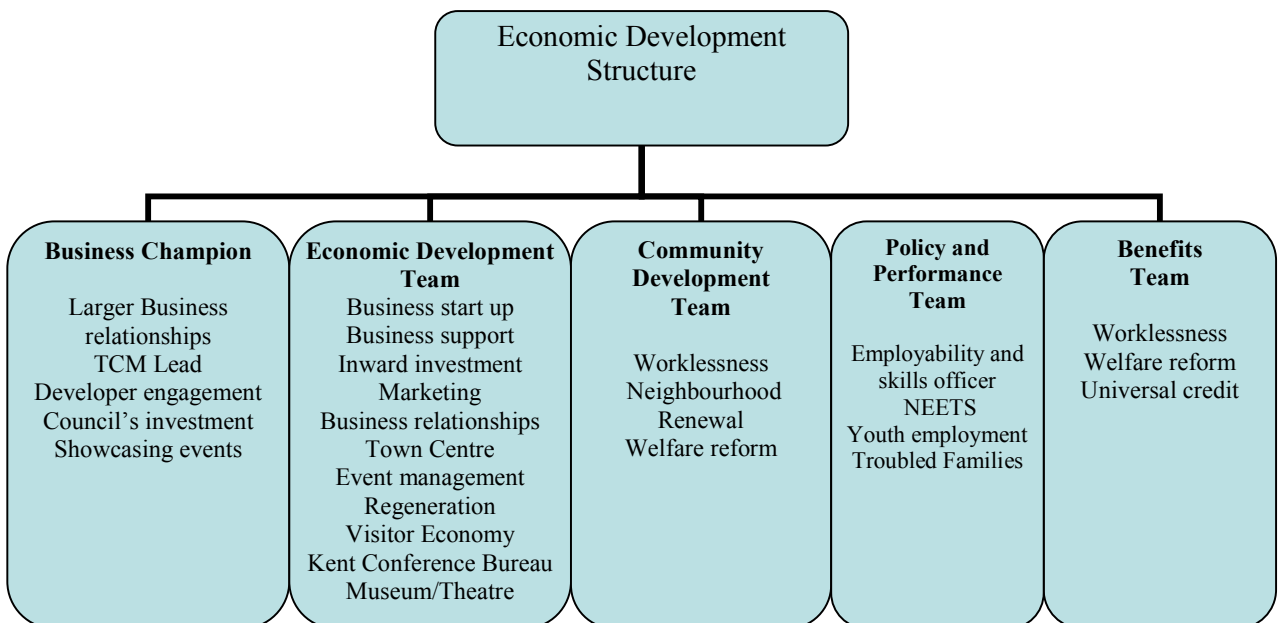
- 1.3.2 The Council's Strategic Plan states that its number one priority is for Maidstone to have a Growing Economy. Whilst this is a corporate objective, and as such, all services share in delivering the outcomes, the non-regulatory focus for this work is the Economic Development Team in the Regeneration and Communities Directorate.
- 1.3.3 The specific outcomes relating to Economic Development set out in the Strategic Plan to be delivered by 2015 are:
- a transport network that supports the local economy, with a focus on the delivery of an integrated transport strategy in conjunction with Kent County Council and other stakeholders.
 - a growing economy with rising employment, catering for a range of skill sets to meet the demands of the local economy, with a focus on the following areas;
 - Creating the right planning environment
 - Developing key infrastructure
 - Business expansion
 - Inward investment
 - Developing stronger business relationships
 - Tackling worklessness"
- 1.3.4 In late 2012, Shared Intelligence was commissioned to produce a Regeneration and Economic Development Plan (REDP) for the borough to update the Council's Economic Development Strategy that had been adopted in 2008. The purpose of the document is to address some of the new economic challenges facing the borough and consolidate the 2008 Economic Development Strategy (EDS), the Council's Regeneration Statement, and the draft Tourism Strategy.
- 1.3.5 The REDP identifies the main challenges as:
- A need for more export oriented businesses;
 - Responding to the challenge of jobs lost during the recession;
 - Dealing with public sector restructuring;
 - Increasing the rate of enterprise formation;
 - Addressing youth unemployment;
 - Building on rises in economic activity; and
 - Addressing persistent pockets of deprivation.
- 1.3.6 The long-term economic vision and core principles for Maidstone's economic development remain broadly in line with the 2008 Strategy. However, the timing and means by which they can be achieved have changed. The REDP focuses on the Council's programme of activities and actions for the next five years and seeks to address new challenges presented by the recession to enable the Council to achieve its vision and objectives.

1.3.7 Within this context and in order to respond to the economic challenges facing the Borough, it is proposed that the Economic Development Team needs to be refocused (particularly with regard to marketing the Borough as the location of choice for businesses) and have sufficient capacity to deliver the Economic Development Strategy and Regeneration and Economic Development Plan (REDP).

1.4 Current and Proposed Structures

1.4.1 The current structure is set out in Appendix 1. Unless annotated all are permanent posts for which provision is made in the base budget.

1.4.2 The delivery of economic development functions within the Council has evolved over the last 12 months and is now spread across Council services. The chart below sets out the roles that currently have an ED focus.



1.4.4 In addition a number of changes across the council have a direct impact on the current Economic Development structure. These include the corporate senior management restructure, the decision to offer the management and operation of the Theatre to Parkwood Leisure and the resultant TUPE transfer of affected staff and the proposal to create the Culture and Leisure Unit (set out in a separate report elsewhere on this agenda).

1.4.5 Taking account of the wider changes and the limited resources of the Economic Development Team the new structure as set out in the

exempt appendix is proposed to ensure the REDP is delivered and the strategic priorities relating to economic development are achieved.

1.4.6 The need to increase the resources in the Economic Development Team is immediate due to the reasons already set out. However, this has to be balanced with the council's challenging financial position and it is therefore proposed that the base budget increases required are made over a two year period, phasing the increase in equal amounts. This will be supplemented by using Growth Point revenue grant funding to cover the remaining resource requirement.

1.5 Alternative Action and why not Recommended

1. Do nothing

As previously stated the Council's corporate priority is to have a growing economy. The do nothing option would prevent the Council achieving its objectives under this priority and is therefore not recommended.

2. Reduce scope of REDP

Reducing the scope and therefore impact of economic development interventions is an option but this will limit the ability to deliver on the Council's economic prosperity priority.

3. Buy in consultants time

This option, whilst offering flexibility is usually much more expensive and does not achieve sustainability and is therefore not recommended.

1.6 Impact on Corporate Objectives

1.6.1 The Council's Corporate Plan states that its number one priority is for Maidstone to have a Growing Economy. The proposed structure enables the Council to resource the economic development team to deliver actions in support of this objective.

1.7 Risk Management

1.7.1 There are significant risks to Maidstone's future well being which the REDP highlights including:

- No net private sector jobs growth since 2003
- High dependency levels on public sector jobs with over 2000 job losses predicted by 2015
- Lowest level of business birth rates in Kent
- Falling employment rates

- Rising unemployment
- Un-attracted development

1.7.2 However the proposed structure will help to mitigate these risks as far as is possible, through opportunities including the Enterprise Hub, enhanced levels of business start up support, new employment land allocations, new marketing and promotion media, encouraging recruitment and work experience opportunities etc.

1.8 Other Implications

1.8.1

1.	Financial	X
2.	Staffing	X
3.	Legal	
4.	Equality Impact Needs Assessment	
5.	Environmental/Sustainable Development	
6.	Community Safety	
7.	Human Rights Act	
8.	Procurement	
9.	Asset Management	

1.8.2 Financial

1.8.3 The proposed structure will require a full year budget increase of approximately £83k. It is proposed that the base budget be increased by approximately 30k per year between 2014/15 and 2016/17 with the balance funded from growth point revenue grant during this period.

1.8.4 Staffing

1.8.5 The detailed staffing implications are set out in the Exempt Appendix.

1.8.6 The provisional implementation timetable is set out below:

Action	Date
Formal Cabinet approval to changes in the Economic Development Unit Structure (assumes no call in)	28 th June 2013
Formal consultation document issued to TU	1 st July
Formal meetings with affected staff arranged Formal consultation document issued to staff with at risk letters.	1 st July
Deadline for consultation (minimum 30 days)	31 st July
Consultation comments responded to and final proposal agreed	1 st week in August
One to one meetings arranged with at risk staff to discuss selection process for new/ ring fenced roles and redundancy process	2 nd week in August
Deadline for applications for new/ring fenced posts	3 rd week in August
Interviews/selection process completed	4 th week in August
New structure operational	1 st September

1.9 Relevant Documents

1.8.1 Appendices

Appendix 1: Current Economic Development Structure
Exempt Appendix: Proposed Economic Development Structure

1.8.2 Background Documents

1.8.3 None