

**Report to:** Communities Scrutiny Committee

**Date of Meeting:** 12 March 2015

**Lead Member/Officer:** Leader & Lead Member for Economic Development/  
Corporate Director, Economic & Community Ambition

**Report Author:** Corporate Director, Economic & Community Ambition

**Title:** Review of Economic & Business Development  
Service

---

**1. What is the report about?**

This report sets out the context and aims of the review of Economic & Business Development function of the Council.

**2. What is the reason for making this report?**

This report explains how the review will support the Council's Corporate Plan priority for developing the local economy and the vision set out in the Economic & Community Ambition Strategy.

**3. What are the Recommendations?**

The Committee is invited to note, comment and support the rationale for and expected outcomes arising from the review of the Council's Economic & Business Development function.

**4. Report details**

- 4.1 The Council is faced with a budget reduction target of £17M over the next 2 years. So far, savings totalling £11M have been identified, leaving a balance of £6M still to find. There is little prospect of improved financial settlements in the foreseeable future.
- 4.2 The current budget reductions are on top of over £20M cuts that have been made since 2009, and the scale of challenge means that Council services face significant changes. Inevitably, the Council will need to do 'less with less' and be more selective about what is really important.
- 4.3 The review of the Council's Economic & Business Development function has been undertaken within this context. The following principles have been applied:
- a) The Council's ambition to develop the local economy is a corporate priority for all Services and not the sole responsibility of the Economic & Business Development Team
  - b) The main focus for the Economic & Business Development Team should be on the core task of economic growth and support for businesses

- c) Sufficient capacity needs to be available to deliver the priorities within the Economic & Community Ambition Strategy and the Council's corporate priority for developing our local economy
  - d) Duplication – within teams, among council services and externally with other providers/at regional level – should be removed/reduced
  - e) The review should contribute to meeting the financial challenges facing the Council
  - f) The review should be undertaken within the concept of 'good enough' and delivering with reduced resources (Cutting our cloth and managing expectations accordingly)
- 4.4 The Council's ambition and vision for developing the local economy is set out in the Economic & Community Ambition Strategy adopted by Council in November 2013. The Strategy is an ambitious 10 year strategy and was accompanied by a comprehensive Delivery Plan comprising over 65 individual actions.
- 4.5 In line with the Council's 'Sharpening our Act' approach, the Delivery Plan was reviewed by the Council's Economic & Community Ambition Programme Board. This produced 3 headline targets for the Strategy to address (more people in work, higher household incomes & more, healthier local businesses) and identified a suite of 16 priority actions for action between now and 2017.
- 4.6 The projects chosen were those assessed as having the potential for greatest impact on the headline indicators. Predominantly they are initiatives that support businesses to set up and grow, make information about new market opportunities more easily available, and address the weaknesses in the availability of business land and premises and modern communications technology; that support our residents, particularly our young people, acquire the skills that will make them attractive to employers and will support new businesses in new growth sectors; and that promote Denbighshire as a good location for businesses to set up, stay, invest and grow.
- 4.7 The priority actions are shown in Appendix 1, together with the Council service tasked with leading delivery of them. Of the 16 priority projects, half have been assigned to the Economic & Business Development Team to lead. By allocating responsibility for delivery to the services best placed to lead the separate areas of work, the Council is able to make best use of its available resources, and at the same time ensure delivery against its Corporate Priority.
- 4.8 Collectively the projects are being managed as a Programme, governed by a Board of senior officers and elected Members. The new arrangements for Economic & Business Development bring together into a single post, the management of the Economic & Business Development Team and that of the Economic & Community Ambition Programme.
- 4.9 The capacity of the revised Economic & Business Development Team has been based on the priorities it is expected to take forward. The review has also enabled a review of functions within the team to be completed and a mixture of generic and more focused posts to be established. The revised

team is shown in Appendix 2. The focused roles add an element of specialisation previously missing within the Council's Economic Development function, in particular the Lead Officer role promoting Inward Investment and High Growth sectors/businesses. To ensure a balance is maintained for existing indigenous and smaller scale businesses, a second Lead Officer role focused on Local Growth has also been created.

- 4.10 An external change that has contributed to the reduction in size of the Economic & Business Development Team is the proposal to create a regional (North Wales) European Funding Team. Wales European Funding Office (WEFO) has given clear advice that with the overall reduction in the next round of European Funding, a more regional approach is required. The North Wales Economic Ambition Board has taken responsibility for developing programmes within which local projects can be delivered and these are currently being discussed with WEFO. A report on European and other Funding opportunities is being prepared for Partnerships Scrutiny Committee later this month.
- 4.11 At the same time, WEFO have advised that European Funding support arrangements should also be managed regionally, and plans are underway to set up a regional team. Until such time as the regional team is in place, a local provision will be maintained. Once the team is established the only local requirement will be financial monitoring through the External Funding Team.
- 4.12 A second change impacting on Economic & Business Development Team capacity requirements has been around how Town & Area Plans will be managed in future.
- 4.13 A review of Town & Area Plans conducted in 2014 found that processes were unclear, overly cumbersome and time consuming, and that for a number of individual projects, it was difficult to identify clear benefit or alignment (strategic or local) with acknowledged needs or priorities. Further, and probably as a result, spend against allocated budget was slow.
- 4.14 As a result, changes have been made to how projects are approved for funding, with a clearer focus on needs, benefits and deliverability being part of that decision. Deliverability assessments now explicitly include Services (this was not always the case in the past) and consequently, once approved, a project will become a mainstream responsibility for individual services, reflected in their work programmes for the year.
- 4.15 A dedicated Community Projects Officer role has been created as part of the review of Economic & Business Development. This post will be located in the Strategic Planning Team of Business Improvement & Modernisation, from where Partnerships and Community Engagement functions are currently supported. The post will provide additional capacity to the team to support the ongoing maintenance of Town & Area Plans and to support development of community based projects, including sourcing alternative funding.
- 4.16 Implementation of arrangements for the revised Team is currently under way. It is intended to have the new Team operational from May 2015. The review of the Team will contribute in the region of £200,000 to the Council's budget cuts target in 2016/17.

**5. How does the decision contribute to the Corporate Priorities?**

The review of the Council's Economic & Business Development function has been undertaken in the context of the financial challenges facing the Council. It is intended to contribute towards the Council's budget cuts target in 2016/17. It has also been undertaken within the context of the priorities set by the Council for economic development, local growth and regeneration. By focusing the Team on the identified priorities from the adopted Economic & Community Ambition Strategy and by ensuring other Council Services are also appropriately engaged in delivering those priorities, the review will enable the Council to make good progress against its Corporate Plan priorities whilst also contributing to reduced expenditure.

**6. What will it cost and how will it affect other services?**

The review is estimated to release in the region of £200k towards the Council's budget cuts target for 2016/17.

**7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision?**

An EqIA was completed when the Council's Economic & Community Ambition Strategy was adopted in November 2013. An EqIA specifically focusing on the implementation of the Economic & Business Development Team review itself was completed and has been shared with staff in the Team and their Trades Union representatives. Implementation of the changes has been designed to address the issues identified.

**8. What consultations have been carried out with Scrutiny and others?**

Members were made aware of the intention to reduce staffing costs in Economic & Business Development at a budget workshop in 2014. Group Leaders were provided with a copy of the consultation paper shared with staff. Discussions have taken place at both the Economic & Community Ambition Programme Board and the Town Champions Group on the implications of the revised arrangements.

**9. Chief Finance Officer Statement**

The savings identified will contribute to the ongoing budget process.

**10. What risks are there and is there anything we can do to reduce them?**

With any reduction in resources and staffing there is a risk that output will reduce. The revised arrangements for the Economic & Business Development Team have been designed to take into account the priorities from the Council's Economic & Community Ambition Strategy and the business-as-usual functions of an effective economic development team. The priorities being led by other services have been developed in partnership with those services and are built into their work

programmes. By focusing on priorities, the risk of important outcomes not being addressed is minimised.

## **11. Power to make the Decision**

11.1 Head of Paid Service and Chief Officers have authority to implement changes in staffing within their services as referred to in the Scheme of Delegation for Officers in the Council's Constitution

11.2 Articles 6.1 and 6.3.4(c) of the Council's Constitution outline Scrutiny's powers to examine this matter.

### **Contact Officer:**

Corporate Director: Economic and Community Ambition

Tel: 01824 706061