

Report to: Communities Scrutiny Committee

Date of Meeting: 23 May 2013

Lead Member: Council Leader

Report Author: Head of Housing and Community Services

Title: Restructuring of the Regeneration, Business Support and Tourism Services

1. What is the report about?

The report details the rationale and process for Restructuring the Regeneration, Business Support and Tourism Service.

2. What is the reason for making this report?

To provide information regarding the rationale for change, structure chart and process followed to date and to be followed to complete the restructuring process.

3. What are the Recommendations?

That members consider the contents of the report and provide feedback to the Head of Housing and Community Development and Head of Communication, Marketing and Leisure on how the proposals contained within the report meet their expectations and aspirations for the service.

4. Report details – The case for change.

In June 2012, the Chief Executive confirmed the final version of his paper "An Excellent Council Close to its Community". In this paper, he detailed many of the council's services which are recognised as amongst the best in Wales however it was noted that excellence is not embedded across the whole of the organisation and our aim must be to excellent in everything that we do.

Three Guiding principles were identified which have become fundamental to the way we work:

- **High performance**
- **Transparency**
- **Accountability**

The paper goes on to state:

"The council's work on regeneration and business support is much better than it was a few years ago but it is still underdeveloped. The 'strategic'/operational' split has worked reasonably well but the split of overall management of these teams has been less successful." The way in which Tourism was handled was also identified for improvement with the Chief Executive seeking a stronger Tourism, Marketing and Events function.

The Chief Executive's vision for change and transformation was echoed by the Leader of the Council who stated " We have to show more leadership and inspire confidence in existing and future businesses... we have to be more involved with the local business community" and went onto say "We have a massive tourist industry but are we making the most of what we have got?".

In response to these challenges a service review of the Regeneration, Rhyl Going Forward (RGF) and Supporting Business and Tourism team was undertaken in late summer 2012 which incorporated a review of personnel files and one to one meetings with 23 of the 29 staff who were transferring into the service which included the managers of each section. One to one meetings were arranged along with a service priority workshop and attendance at team meetings by the Head of Housing and Community Development. The key findings from the review were:

- Team structures are poorly developed leading to poor communication and limited flexibility in use of staff.
- The service has a relatively low profile and does not currently demonstrate a strong brand for the council
- Performance monitoring is underdeveloped across the service areas with little opportunity to demonstrate outcomes
- Service promotion is lacking – there is no systematic approach to capturing positive outcomes and sharing these both internally and externally
- The Council is not close to businesses
- Staff felt that the split across services which took place 18 months ago between operational and strategic aspects has not worked well overall although every effort had been made to make it work.
- Staff interviewed talked about how the services were fragmented, particularly in respect of the tourism function

As well as engaging with staff members a number of important stakeholder events were undertaken to gather wider soundings of opinion on how the service was performing and perceived. Therefore, a Review of the Rhyl Going Forward (RGF) programme was undertaken which identified the need for better co-ordination and integration of regeneration and economic development opportunities through effective alignment of RGF, Rhyl City Strategy and the Communities First programme.

Feedback from a Member workshop on Developing the Economy suggested that the economic development function needed to grow the private sector and third sectors, make best use of Denbighshire's natural resources, provide better support for businesses and maximise investment through European and other Funding Streams.

A Private Sector Sounding Board was also developed which stated that the Council is not particularly easy to do business with as it can be complex, bureaucratic and reactive.

The work undertaken in relation to formulating Denbighshire's Economic & Community Ambition Strategy has also proved influential in developing the structure. The vision of " working together to build a place where new and existing businesses can flourish, our towns and communities prosper and our residents are active and

enjoy a good quality of life” requires a step change in approach and the realignment of resources to deliver these priorities.

The final important factor in shaping the plans for the regeneration structure arose as a result the “Vibrant and Viable Places” consultation document produced by Welsh Government in October 2012 which outlined the key changes in its approach to regeneration, namely:

- A focus on **outcomes** that relate to prosperous, learning, healthier communities, making links to complementary Welsh Government programmes
- To be guided by three key **principles** of (i) partnership work, (ii) a strategic approach (based on evidence, focused on people and place, spatial planning etc) and (iii) sustainability (involving communities, planning for the long term etc)
- A renewed commitment to **cross-portfolio working** within Government
- **Strengthened governance** – with a clear national, regional and local delivery structure.

Whilst the above proposal apply to national regeneration strategies the focus upon outcomes, partnership working, adopting a strategic approach, working collaboratively across portfolio’s and developing strong governance and accountability measures are just as important, valid and applicable for how we manage and deliver regeneration and economic development priorities locally.

So to conclude on a number of levels the existing structure, skills base and resource allocation were not fit for purpose and would not be capable of delivering the ambitious programme of Regeneration and Business Development as contained within the Corporate Plan and emerging Economic Ambition Strategy.

New structure (a copy of which is attached at Appendix 1 for information)

In developing the new structure for Regeneration a number of authorities were looked at including Flintshire, Wrexham, Conwy, Carmarthenshire, Ynys Mon and Cheshire West and Chester Council. Furthermore a full consultation exercise has been undertaken with staff which resulted in some significant changes to the final structure.

The new structure shall have a locality focus which builds upon the Single Point of Contact arrangements and seeks to join up services both within and between Member Area Group boundaries. This place based approach to services should make it easier for members, businesses and stakeholders to receive quality advice, assistance and support from teams which are close to the communities they serve and enable services to be customised to the bespoke needs of clients.

The structure will reduce the senior team from 3 managers down to 1 and plans to re-invest savings in front line delivery through the Team Leader and project officer positions. This shall facilitate a leaner management team which has greater flexibility in the deployment of resources and enable greater capacity and capability at the front line to deliver key projects and priorities.

A robust approach to performance management shall be overseen by the Housing and Community Development Quality and Performance Team which shall ensure Town Plan, Corporate Plan, Rhyl Going Forward and other key priorities are delivered to time, cost and quality standards. A monthly performance surgery shall be undertaken and quarterly reports to members tracking performance against Town and Area Plans shall be provided. Rhyl Going Forward Programme Board reporting shall be unaffected by the restructuring programme.

The restructuring of the Senior Management Team is due to be completed by the end of May 2013. The Head of Service and the Economic and Business Development Manager shall then work with the team leaders to agree the resource requirements for each locality and a recruitment process shall be undertaken to appoint project officers to vacant positions. Vacant posts within the restructure shall be ring-fenced to staff within the Regeneration team and it is anticipated that all posts shall be appointed to by the end of September 2013.

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

Developing the local economy is a Corporate Priority for Denbighshire and the Restructuring of the regeneration function is designed to build the capacity and capability of the service to respond positively in meeting this priority.

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

The restructure will be cost neutral. A reduction in managers has been achieved with savings generated from this being reinvested in front line services through Team Leader and project support positions. A job evaluation process has also been undertaken to independently assess the salary and grade for positions in the new structure which has resulted in some small savings.

The restructure should not therefore require additional resource rather it aims to make better use of existing resources. It is not envisaged that any legal, environmental or biodiversity issues shall arise through restructuring however there may be a small impact on ICT as the service moves towards optimising laptop and smart technologies to enable more agile and locality based working to support businesses and communities.

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

An equality impact assessment has been undertaken which is attached for information (Appendix 2). The Service has recognised the enhanced rights of staff on maternity leave and has acted to ensure they are not unlawfully discriminated against throughout the restructuring process.

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

The Head of Housing and Community Development has taken the restructuring plans to four of the Member Area Groups for information, dissemination and feedback. All

Member Area Groups shall be visited to enable members to feedback on the service delivered through the restructure. A significant consultation exercise has also been undertaken with staff members in line with the Council's policies and procedures.

9. Chief Finance Officer Statement

There are no additional costs arising from the Restructure.

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

The main risk associated with the restructure is that it will not deliver the outcomes as expected and will require further restructuring shortly thereafter. This risk is being mitigated through a strategic approach to service restructuring being adopted which has two distinct phases. Phase One to appoint the senior management team and then involve them in developing and shaping Phase Two which will allocate resources to front line teams. The use of a robust job matching process allied with an assessment centre and competency based interview process should ensure that staff with the right skills, experience and abilities are appointed to positions within the restructure.

The lack of a robust Tourism, Marketing and Events function could lead to key strategies including Destination Denbighshire failing to be delivered and the economic benefit from a successful events strategy not being realised.

11. Power to make the Decision

The report is for Members' information and observations. It forms the Regeneration Service's response to the challenges outlined within "An Excellent Council Close to its Community" paper developed by the Chief Executive in June 2012 and provides for a joined up, robust and strategic approach and alignment of resources to deliver the Councils Economic Ambition priorities.

Article 6.3.2 of the Council's Constitution sets out scrutiny's role with respect to matters outlined in this report.

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