

REPORT TO: CABINET MEMBER - REGENERATION
DATE: 17TH MARCH 2010
SUBJECT: DELIVERING THE STEPCLEVER PROGRAMME 2010-12
WARDS AFFECTED: LINACRE/DERBY
REPORT OF: PLANNING & ECONOMIC DEVELOPMENT DIRECTOR
CONTACT OFFICER: MARK LONG (x3471)
EXEMPT/ CONFIDENTIAL: NO

PURPOSE/SUMMARY:

To note contracts awarded to Sefton Council under the Stepclever Delivery Plan 2010-12; to approve a recruitment process for filling new posts that maximises redeployment and minimises recruitment; and to approve a revised structure and establishment for the Economic Regeneration Division of the Planning & Economic Regeneration Department.

REASON WHY DECISION REQUIRED:

To authorise a revised establishment and complement of staff following the termination of contracts ending 31st March 2010, and the commencement of new contracts on or after 1st April 2010.

RECOMMENDATION(S):

That members:

- (i) Establish the posts in Enterprise Gateway as set out in para 23,
- (ii) Approve the organisation chart as set out in Annex 4, and
- (iii) Approve the maximum use of redeployment to fill vacancies in the new structure, with market recruitment a last resort and requiring the permission of the Vacancy Panel.

KEY DECISION: Yes

FORWARD PLAN: Yes

IMPLEMENTATION DATE: After expiry of call-in period

ALTERNATIVE OPTIONS:

The alternative is not to accept the offer of contracts valued at £9.14 million under the new Stepclever programme. The 20 staff on fixed-term contracts ending on 31st March would not be replaced, and the outputs associated with the new contracts would not be delivered (currently estimated at 354 start-ups created, 730 jobs created, 100 jobs safeguarded, and 2,250 businesses engaged). These losses are unnecessary given the availability of 100% external funding to cover all costs, and unacceptable given the impact of the reductions on the most disadvantaged wards in Sefton, Merseyside and indeed the UK.

IMPLICATIONS:

Budget/Policy Framework: The costs for delivering the Stepclever programme 2010-12 will be fully funded from external resources.

Financial: Any staff redundancy costs arising from the succession scheme, either at its commencement, or at its end, in March 2012, will be met from within the external funding resources.

<u>CAPITAL EXPENDITURE</u>	2009 2010 £	2010/ 2011 £	2011/ 2012 £	2012/ 2013 £
Gross Increase in Capital Expenditure		£3.29m		
Funded by:				
Sefton Capital Resources		0		
Specific Capital Resources (LEGI)		£3.29m		
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure		£5.85m		
Funded by:				
Sefton funded Resources		0		
Funded from External Resources (LEGI)		£5.85m		
Does the External Funding have an expiry date? Y	31 st March 2012			
How will the service be funded post expiry?	Either terminated, or alternative external funding.			

Legal:	N/a
Risk Assessment:	<p>Risks – payment is on outputs delivered so it is possible enough income is not generated to cover costs; that sufficient number & quality of staff will not be recruited; that demand for products and services will not materialise.</p> <p>Risk mitigation – the project will track demand closely; adjust cost base to revealed demand; utilise project balances; and maximise redeployment.</p>
Asset Management:	Assets of any Stepclever project must be recorded in a register and not disposed of without the express consent of Liverpool CC as accountable body for LEGI grant.

CONSULTATION UNDERTAKEN/VIEWS

Stepclever Board – 21st December 2009
Stepclever Board – 12th January 2010
Cabinet Member for Regeneration – 20th January 2010
Business Support Unit, CEO & Regeneration Depts
Personnel Dept
Finance Dept – FD 333 - The Acting Finance and Information Services Director
has been consulted and his comments have been incorporated into this
report.

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Creating Safe Communities		✓	
3	Jobs and Prosperity	✓		
4	Improving Health and Well-Being		✓	
5	Environmental Sustainability	✓		
6	Creating Inclusive Communities		✓	
7	Improving the Quality of Council Services and Strengthening local Democracy	✓		
8	Children and Young People	✓		

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

Regeneris Consulting (2009), Stepclever Programme Impact Evaluation

Background

1. Members received a report on 20th January 2010 introducing the Mid Term Review of the Stepclever programme, with a verbal update on the Stepclever Delivery Plan for the period 2010-12.
2. It was resolved that:
 - “(1) The Stepclever Mid-Term Review and Delivery Plan report be noted;
 - (2) The Delivery Plan be approved; and
 - (3) The Planning and Economic Regeneration Director be requested to produce a follow-up report on the implementation of the Delivery Plan including implications for staff and contracts” (minute 10/94).
3. The rest of this report explains the variations in staffing structure and staffing levels necessary to implement the new Stepclever projects for which the Council is responsible.

Transition arrangements

4. The previous report in January 2010 explained that Sefton is responsible for 6 projects in the 2007-10 Stepclever Delivery Plan. The contracts, with their complement of staff (Sefton employees only) and contract expiry dates, are listed below:

Projects 2007-10	Contract value (£ million)	Total employees	Expiry date
Enterprise Gateway	7.81	10	31 st March 2010
Business Neighbourhoods	2.02	1	31 st March 2010
Supply Mersey – Buy Side	1.09	7	31 st March 2010
Step Into Construction	0.72	3	31 st March 2010
Working for Yourself	1.04	3	31 st Dec 2010
Property Support Project	2.83*	1	31 st March 2011
Total	15.51	25	

* Contract value combines capital and revenue.

5. The Stepclever Board on 12th January 2010 approved a Delivery Plan for the 2010-12 period including three projects for which Sefton will be the accountable body for delivery (although in all cases working jointly with Liverpool CC or Liverpool Vision to design and co-ordinate the project). The projects are funded by a combination of carry forward of underspend from 2009/10, and an additional allocation for 2010/11 (which may itself be spent over a two year period to March 2012):

Projects 2010-12	Carry forward (£ million)	Allocation (£ million)	Totals available (£ million)
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Projects 2010-12	Carry forward (£ million)	Allocation (£ million)	Totals available (£ million)
Enterprise Gateway	(est) 1.30	3.95	5.25
Business Neighbourhoods	0	0.60	0.60
Property Support Project	(est.) 1.80	1.49	3.29
Totals	3.10	6.04	9.14

6. The Stepclever Board accepted the following transition arrangements:
- **Construction, Supply-Buy Side and Enterprise Gateway** will all end, but elements of service delivery from all three will be included within a new Enterprise Gateway project.
 - **Business Neighbourhoods** will be continued but at a scaled-down level, with a new proposal to be worked up by Liverpool and Sefton Councils.
 - **Working for Yourself** will be evaluated during 2010. If the evaluation is encouraging, the Board will consider funding it for a further period. Until then, the project is to be placed on a “Reserve List”. (As the 2010-12 funding is completely allocated, support after December 2010 will depend on slippage or re-allocation from elsewhere in the programme.)
 - **Property Support Project** will continue to term, with a decision taken nearer the end-date as to its extension or closure, depending on progress with its programme of property improvements. As this is a capital project, any decision by the Stepclever Board (and approved by Liverpool CC as accountable body) regarding the use of the allocation in Sefton will be reported back to Cabinet for approval to include in the capital programme.
7. The planned outputs of the new Delivery Plan for all 6 wards of the Stepclever area include 354 start-ups created, 730 jobs created, 100 jobs safeguarded, 2,250 businesses engaged, and 3,000 pupils engaged. This is a substantial intervention, on top of the results already delivered in the area (albeit impacted by the current global recession). The new Enterprise Gateway project is responsible for all the “hard” business outputs in the 2010-12 programme, such as investment and employment, and is therefore the keystone of the Delivery Plan.
8. Stepclever Board meets on 9th March, when the Enterprise Gateway Delivery Plan is to be received and approved. Officers will make a verbal report on the outcome of this meeting.

Staffing implications

9. It was inevitable once the StepClever Board agreed the new Delivery Plan that the overall level of resources and annual spend rates would be less in the next two years compared with the past three years.
10. After much consideration, and adopting a revised service model, a new Gateway project has been costed at £5.25 million (including £1.3 million of roll-forward) and will employ 16 staff. The project incorporates certain operational efficiencies which allow it to achieve about the same or better level of performance compared with the old Gateway, despite the reduction in funding. Nevertheless, a reduction in headcount is inevitable.
11. Sefton Council is the employer for the 20 staff employed in the old Gateway, Construction and Supply – Buy Side projects. All are on fixed-term contracts expiring 31st March 2010. The Council's Personnel and Legal Directors advise that where a vacancy is created that can be filled from a pool of potential candidates because they are in the same "job group", then a fair and non-discriminatory method of selecting one of them must be chosen. It is not generally possible to place individuals whose contracts are ending into new posts, as those not selected could object they have been unfairly passed over.
12. As we wish to ensure maximum continuity in Gateway, both for service users and for skilled and experienced staff, the preferred solution is to ringfence the 16 new posts for the 20 staff at risk, and allow all candidates to apply for any of the vacancies.
13. The advantage for individuals is that they have a choice of jobs to apply for as they approach the end of their contract of employment. The Council will enhance this choice by entering individuals into the general redeployment pool so they have first pick at any vacancy arising in the authority.
14. The advantage for the project is that it allows the employer to choose the right person for the job. It is desirable to match candidates against the revised service description and job profile so that we have the best possible fit, and bring the workforce up to date with current and anticipated requirements.
15. If it is not possible to fill every post from the 20 affected staff, then the field will be extended to all in the redeployment pool; and only if vacancies remain after the redeployment process is exhausted shall we seek permission through Vacancy Panel to recruit in the open market.
16. A fast-track grievance procedure will be put in place to handle any disputes that may arise from the redeployment process, and final decision-making powers resting with the Planning & Economic Regeneration Director.

Proposed staffing structure and establishment

17. The organisation charts for the old Gateway, Construction and Supply – Buy Side projects are attached as Annexes 1-3.

18. The established posts for these three projects are as follows:

Project	Post Title	Emp No	Post	Grade
Construction	Business Systems Administrator	804923	09029	SO 1/2
	Construction Business Manager Team Lead	718248	09030	PO 12
	Construction Business Support Officer	804677	09028	SO 1/2
Enterprise Gateway	Administration and Finance Officer	801572	16127	Sc 5
	Business Development Manager	803237	16122	PO 6
	Business Development Manager	803413	16123	PO 6
	Business Development Manager	802175	11012	PO 6
	Business Start-Up Manager	803904	16125	PO 6
	Business Start-Up Manager	803288	16124	PO 6
	Business Start-up Manager	805185	16751	PO 6
	Enterprise Gateway Coordinator	803327	16121	PO 14
	Enterprise Gateway Manager	623243	16120	HAY 6
	Monitoring and Information Officer	623370	16126	SO 1/2
Supply	Administration and Technical Officer	803822	16381	Sc 1/2
	Procurement Development Manager	803782	16265	PO 6
	Procurement Development Manager	632478	16266	PO 6
	Procurement Development Manager	803753	16263	PO 6
	Procurement Development Manager	804972	16268	PO 6
	Procurement Development Manager	803855	16267	PO 6
	Project Man. Step-Up to Supply (Buy Side)	666062	07127	PO 14

19. The new structure and establishment for Enterprise Gateway take into account what has been achieved by these three projects, and incorporates feedback from the Stepclever Mid Term Review (2009-10), and from an internal review of Enterprise Gateway in late 2009.
20. The overall objective of the new Enterprise Gateway is to close the gap between the 6 Stepclever wards and the Liverpool City Region in terms of levels of enterprise, entrepreneurship, employment and business success.

21. The project comprises four strands of activity:

1. Engagement and Outreach

The project will establish referral networks with key organisations in the community to raise awareness, stimulate demand and provide a simplified access route for those thinking of self-employment or starting a business. In addition key sectors will be targeted for support. There will be a calendar of awareness sessions with general information about starting a business, working with other organisations to provide targeted sessions for special groups such as women, black and ethnic minorities and young people. Taking a grassroots approach, we will embed Enterprise Champions in local community organisations and centres to promote and support business opportunities for local people. The project will work with local entrepreneurs to become Enterprise Ambassadors, acting as role models to support those starting their own business.

2. Start-up Support and Aftercare

We will work in partnership with the network of existing community-based enterprise agencies in the Stepclever area to provide a fully integrated business start-up service. Support will include one-to-one advice from a SFEDI-accredited Business Start-up Advisor, business planning, access to finance (flexible discretionary grant for both start-ups and social enterprises, plus the Sefton Liverpool Investment Bond for social enterprises), a programme of tried-and-tested support activities for key sectors, together with special support targeted at groups traditionally under-represented in business. Gateway will offer a holistic service which supports the individual through pre-start, start-up and early stages of trading. We will establish a structured approach to aftercare including post-start tracking, mentoring, crisis intervention, access to premises and financial support to access professional services. We will encourage new businesses to join existing business networks to gain additional support and link into business opportunities.

3. Support for Existing Businesses

Gateway will provide intensive and tailored advice and assistance that promotes improvements in business performance. It will support struggling businesses as well as growing businesses, to both safeguard jobs and invest in growth opportunities. We will embed a team of SFEDI-accredited Business Development Managers within local business communities, providing direct expert support and where required drawing in appropriate specialist products and services. Gateway will aim to contact every company in the Stepclever area to establish a relationship, raise awareness of support and invite their participation. At the heart of the service is a detailed Assessment and Review of the company's needs, leading to an agreed Action Plan. Gateway will co-ordinate access to a wide range of mainstream and specialist support, such as access to finance (flexible support for investment in the company), use of energy and natural resources, support for industry-standard accreditations, access to professional services, effective buying, and workforce development. Companies

needing urgent help will have access to a rapid response “business turnaround” service. Gateway will identify and target key sectors providing more intensive support for business growth and co-operation. Gateway will seize the opportunities presented by the 2010 World Expo in Shanghai to introduce local companies to emerging markets around the world and the benefits of international trade and investment.

4. Management and delivery

Gateway will be responsible for all business-facing delivery within the Stepclever Programme. Gateway will co-ordinate in-house and sub-contracted provision, and will ensure alignment with every other aspect of the Stepclever programme including enterprise in schools, business neighbourhoods and other enterprise activity.

As accountable body, Sefton Council will chair the Gateway Project Board, which will also include Liverpool Vision as strategic partner, and representatives from the Stepclever Board and the Stepclever Programmes Team.

Gateway will establish a senior manager who will lead and co-ordinate all elements of service delivery and programme management, accountable to the Gateway Board and reporting to the Programmes Team and Stepclever Board as required.

An integrated management information system will supply a regular and detailed flow of information on activities and outputs together with an assessment of the outcomes and impacts of Gateway.

22. The proposed staffing structure for the new Enterprise Gateway is set out in Annex 4.

23. In the new structure, the job roles and their proposed grades (all subject to the outcome of the Pay and Workforce Review) are:

Enterprise Gateway Manager (PO 14) – provides strategic leadership, develops relations with partners and providers, drives the implementation of the Gateway Delivery Plan, steers performance on the basis of feedback and best practice, and is accountable to the Gateway Project Board.

Senior Business Advisor (PO 10) – responsible for defining and developing the offer to customers, supervises the Business Development and Start-up Advisors, advises the Gateway Manager on all professional issues, and ensures quality of sub-contracted provision.

Business Development Advisor x 5 (PO 6) – pro-active outreach and engagement role, acting as account manager with a caseload of businesses, responsible for developing an ongoing relationship including financial assistance, assessment and action planning, and drawing in specialist support as required with aftercare.

Business Start-Up Advisor x 3 (PO 6) - pro-active outreach and engagement role to stimulate demand, working closely with contracted CBED providers to refer and receive assisted businesses, and maximise survival through the first 36 months with financial assistance, and drawing in specialist support as required with aftercare.

Senior Project Development Officer (PO 6) – responsible for developing and maintaining the principal engagement networks for potential and existing businesses, co-ordination of marketing and outreach across Gateway and with the Programmes Team, and for developing projects above and beyond one-to-one advice to businesses such as sector/cluster development and collaborative projects.

Project Development Officer (sc6 – SO 1) – pro-active maintenance and development of outreach and engagement networks and processes, and operational support for projects.

Senior Finance & Monitoring Officer (PO 6) – maintain and continuously improve finance, output and client monitoring systems for the project, develop Service Level Agreements with providers, monitor performance to ensure standards, targets and priorities are being met, and supervise the finance and administration team to these ends.

Finance Officer (sc6 – SO 1) – responsible for operation of all project financial and output systems, supporting the Senior Finance & Monitoring Officer, ensuring compliance with financial procedures including audit, and monitoring SLAs with providers to improve performance

Information & Monitoring Officer (sc5 – 6) – responsible for maintaining and continuously improving comprehensive management information systems to support the whole Gateway team, including performance reporting and forecasting.

Administrator (Sc 5) – support for the whole Gateway team through the performance of clerical, administrative, financial, customer contact, event administration and other similar duties.

24. It has been possible to align all new job roles with posts already evaluated under the Pay & Workforce Review.
25. The trades unions have been consulted on the proposed structure and the filling of posts, and no comments have been received at the time of writing.
26. Any staff redundancy costs arising from the succession scheme, either at its commencement, or at its end, in March 2012, will be met from within the external funding resources.

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