

<b>Committee:</b>	Administration and Regulation Committee			
<b>Date of Meeting:</b>	16 December 2020			
<b>Subject:</b>	Economic Growth and Skills OCA			
<b>Report Author:</b>	The Service Manager, Economic Growth and Skills			
<b>Contact Officer:</b>	Debbie Poole-Hunt			
<b>Implications:</b>	Legal	<input checked="" type="checkbox"/>	Community Safety	<input type="checkbox"/>
	Equalities	<input type="checkbox"/>	Environment	<input type="checkbox"/>
	Financial	<input checked="" type="checkbox"/>	Consultations	<input checked="" type="checkbox"/>
	Staffing	<input checked="" type="checkbox"/>	Other	<input type="checkbox"/>
<b>Wards Affected:</b>	N/A			

## Purpose

1. The purpose of this report is to seek the approval of the Administration and Regulation Committee to the proposed changes to the staffing structure including the cessation of the crèche team within Economic Growth and Skills.

## Recommendations

2. **The Committee is recommended to approve the post deletions and changes and implementation of the new staffing structure as outlined within section 5 of this report.**

## Background

3. The Council's Economic Growth and Skills Service consists of two areas - Adult Learning and Economic Development. Adult Learning is an externally funded service and must comply with external funding criteria to draw down a large amount of the funds, with a smaller amount from income generation. Economic Development is in part funded by Council base budget and part by the Butterfield Reserves which is ring-fenced for economic activity in Luton.

The impact of the Covid-19 pandemic has resulted in a shift in provision and in priorities for both Adult Learning and Economic Development. For Adult Learning the pandemic has also impacted on its ability to draw down external funding with the Service having to remodel the delivery of provision and reshape its offer.

## Report

4. The proposal is to realign the staffing resources within Economic Growth and Skills to meet the budget envelope and to ensure it is fit for the future delivery of the Council's 2040 strategy and economic recovery and growth plans.

## **Staffing / HR Implications**

5. All affected employees had the opportunity to engage in the process, attended a 1 to 1 meeting, ask questions and make comments on the proposals during the consultation period.
6. Implementation will be in line with the Council's Handling Organisational Change policy
7. One person is a slot in, three people would be ring fenced for interviews for three jobs, one person would be offered suitable alternative employment at a grade lower with 18 months' pay protection, two would be able to changed their contracts to fixed term, six redundancies due to the cessation of the crèche service, three Economic Development Officers redundant if not redeployed although one person has expressed an interest in voluntary redundancy and two would be made compulsory redundant if not redeployed.

## **Proposal/Options**

8. Economic Growth and Skills comprises of Adult Community Learning and Economic Development and would be effected in different ways by the proposal.

### **Adult Community Learning (ACL)**

9. ACL is externally funded by the Education Skills and Funding Agency (ESFA) to deliver high quality teaching and learning to the residents of Luton. The external funding is drawn down by meeting a set of criteria put in place by the ESFA.
10. ACL was awarded £1,615,880 by the ESFA for the 2020/21 academic year. The Service planned its offer on this basis and put in place sufficient staff to deliver it based on that amount of funding and the income it generates from learner fees, the Service Level Agreement (SLA) with The Early Years Alliance to provide crèche facilities and from room hire charges.
11. Currently ACL is made up of 61 posts.
12. As a result of the Covid-19 pandemic, ACL had to stop face to face delivery in March 2020, close the doors and transition where possible to online learning. This resulted in:
  - Significant reduction in learner numbers
  - Loss of fee income
  - No crèche being delivered to either Flying Start or schools
13. ACL were informed by The Early Years Alliance that from September 2020, they have decided not to renew their SLA with ACL as they will no longer be delivering crèche facilities to the families they currently support.
14. Due to current social distancing guidelines, schools are also looking at ways in which to support their families online to reduce the number of people entering the school where possible. This has resulted in no crèches being offered as part of the Family Learning programme. In order to continue supporting these families, online workshops have been delivered, wellbeing newsletters have been sent out and Teachers have contacted families offering support.
15. With the uncertainties around the pandemic, it is still unclear when ACL will be able to return to full capacity at Arndale House and the anticipated loss of income for 2020/21 is £164k.

**16.** Without making changes to the Service, there would be a further impact for 2021/22.

**17.** The above factors mean that the Service will have to revise its offer. In order to deliver a balanced budget it will make savings by reducing the number of people it employs who support and deliver the services that are not being delivered. The Service has no alternative other than to consider the removal of posts from the current structure within Family Learning and support services function, which will enable frontline delivery to be maintained. This is to ensure that the Service remains within its revised funding from the ESFA and not become a financial burden upon Luton Council.

### **Economic Development**

**18.** The Economic Development (ED) Team is currently made up of 10 posts: a Team Manager, an Apprenticeship Levy Coordinator, 3 ED Officer posts, a Project Support Officer and a standalone BBO team (4 posts) which is externally funded. The team delivers a range of economic development activities including inward investment, business support & engagement, apprenticeship levy activities and delivery of BBO (Building Better Opportunities, which is an externally funded project through ESF).

**19.** The ED team has a base budget along with external funding and drawdown of the Butterfield Reserve. The Butterfield Reserve is ring-fenced 'to share the benefits from Butterfield Business Park and for additional spend on economic development activity over and above the Council's base budget'. The use of this reserve to support the Council in its economic recovery and growth plans was approved by Executive Committee on 12 October as part of the Covid-19 Economic Recovery Plan.

**20.** Before the Covid-19 pandemic, the team had already begun to shift its model of delivery, for example, moving away from direct delivery of business networking events (which can be time intensive and very admin heavy), to tapping into existing networks and working through our partner organisations. The pandemic has led to a further shift in delivery, with a new focus on our response to economic recovery and a requirement to work in different ways to engage with our local businesses and align the team to key priorities. For example: using digital channels rather than face to face; aligning key account management to target engagement with those businesses where there will be most impact; working through our partner organisations to maximise impact; encouraging businesses to 'self-serve' through our digital resources & signposting to the appropriate provision; and shifting our focus in the short term from business growth to business retention, recognising that whilst inward investment may slow whilst the economy recovers, we must not lose sight of the longer term aims.

**21.** Whilst the work the ED team are doing is more critical than ever, we recognise the wider budget challenges that the Council faces and the need to work in different ways to help respond to this. This proposal sets out the realignment of the ED activities, to focus on developing and delivering specific work programmes that support the Council's 2040 Strategy and Economic Recovery plans by working in collaboration with partners to maximise resources locally.

**22.** The proposal takes forward the statement in the recent Emergency Budget which stated that there will be an "Economic Development Team review and rationalisation, with alignment to priorities of Luton 2040 and Covid-19 Economic Recovery Plan and tapping into external funds to support delivery".

## **Consultation Feedback**

- 23.** Two separate group staff meetings were held on 8th September one for Economic Development and another for Adult Learning as they were affected in different ways.
- 24.** GMB, Unison and Unite were consulted at the start of the OCA on the 2nd September 2020. No comments were received on the proposals and the trade unions were happy for the OCA consultation to proceed. A further meeting for one of the teams affected was requested and this was held on 20th October. An end of consultation meeting was held on 1 December 2020 to feedback to staff, who had all attended an individual 1 to 1 meeting with a couple having union representation. There were several questions, comments or suggestions, which were collated and sent out in Frequently Asked Question bulletins to staff; however there was no alternative proposal put forward for due consideration.
- 25.** The feedback received covered two main areas, staff feeling that the new roles on offer were not a suitable alternative and that some staff who may have the skills were unable to be ring fenced for interview due to the roles being 3 grades higher. Management reflected on these comments and had an independent HR Advisor review the roles which meant one member of staff then became a slot in and HR had agreed that once the new roles had been to redeployment, they would be allowed to apply before the roles were circulated to the wider council.
- 26.** The job descriptions for the proposed new roles were presented to the Job Evaluation Panel on 1st October 2020. The Panel agreed with all the indicative grades so no changes were made.
- 27.** Ten staff are identified as being at risk of redundancy and they will be placed on the council's Redeployment Register; with the possibility of finding suitable alternative employment during their contractual notice periods.

## **Appendix**

Appendix A - Organisational Change Assessment (OCA) - Economic Growth and Skills Restructure - Place and Infrastructure, incorporating appendices as follows:

Appendix 1 - Current structure chart Adult Community Learning

Appendix 2 - Current structure chart Economic Development

Appendix 3 - Proposed structure chart Economic Growth & Skills

Appendix 4 - Integrated Impact Assessment, including specific data regarding crèche users

## **List of Background Papers - Local Government Act 1972, Section 100D**

N/A

## **Implications**

<b>Item</b>	<b>Details</b>	<b>Clearance Agreed By</b>	<b>Dated</b>
Legal	The proposals have the potential for compulsory redundancies. In the event that compulsory redundancies are necessary, employees can make an internal appeal and the Council would also need to deal with any potential Employment Tribunal proceedings. The Council's Organisation Change Procedure will need to be followed correctly in order to minimise risks.	Jasbir Josen	30.11.20
Finance	The proposed restructure is affordable within approved budgets and will support delivery of budget savings approved as part of the Council's emergency budget in July 2020. There will be redundancies as a result of this restructure as outlined in paragraph 5.3, although if possible affected staff will be redeployed. The cost of redundancy will be a one-off cost and will be met from the redundancy provision.	Darren Lambert, Finance Business Partner	2.12.20
Equalities	<p>A full IIA has been completed which has identified potential impact on</p> <p>There will be a negative impact on the following protected characteristics:</p> <p>Sex – all the affected employees are female. Race – There is a slightly higher than average representation of BAME 35% compared to 26% of the whole workforce</p> <p>Age – 31.5% are 51 or over; we know it is harder for this group to secure other employment and all affected staff, regardless of age, will be supported in accordance with our procedures. Those staff who are 55 or over will be able to access their pension.</p> <p>Religion/Belief – there is a higher number of Muslim staff who may be affected by this proposal</p> <p>Disability - 10% of staff have a disability, compared to the council's 8% of the workforce.</p>	Maureen Drummond, Cohesion and Equalities Adviser	01.12.20

Item	Details	Clearance Agreed By	Dated
	<p>The cessation of the crèche facilities will have a potential impact on the following protected characteristics based on Creche data for 2019/2020</p> <p>Females (96.4%) Age (31-40 – 66.3%) Race – all races</p>		
Staffing	The staffing implications are contained within the main body of the report	Angela Claridge Service Director (HR) & MO	30.11.20