

MUNICIPAL YEAR 2017/2018 REPORT NO.

MEETING TITLE DATE:

Delegated Authority Report
16 April 2018

REPORT OF: Chief Executive

Contact Officer:

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Human Resources

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| Agenda - Part: | Item: |
| Subject: Organisational Review | |
| Wards: Key Decision No:KD3258 | |
| Cabinet Member Consulted: Cllr Doug Taylor | |

1. EXECUTIVE SUMMARY

This report recommends the restructure of the top three tiers of the Council's senior leadership structure with effect from 1 May 2018. The restructure is informed by the eight agreed organisation design principles and the need for a structure that is fit for purpose to meet the financial challenges the Council faces in the next three years. To ensure a smooth transition, the restructure will be phased in over the financial year 2018/19 and fully implemented on 1 April 2019.

2. RECOMMENDATIONS

- 2.1 That the deletion and creation of posts be agreed.
- 2.2 Recruitment to the new positions is guided by the 'Principles of Managing Restructures'.

3. BACKGROUND

- 3.1 During the period November 2017 to February 2018, a number of workshops were convened with a view to devising a set of design principles and a new operating model which would inform a new organisation structure able to meet the challenges the Council faces in the future. The workshops were attended by the Chief Executive, Executive Directors, Directors and Assistant Directors and were facilitated by Korn Ferry Consultants to provide an expert outside perspective.

- 3.2 The resultant draft Organisation Design Principles (Appendix 1) were referred to Cabinet and agreed on 14 February 2018. At Cabinet, it was also agreed that the Chief Executive be given delegated authority to draw up a new organisation structure for the top three tiers of the Council in line with the agreed principles. The proposed draft structure (Appendix 7) was drawn up in February and consultation with the staff affected and the trade unions commenced on 9 March until 8 April 2018. The timetable for implementation is attached as Appendix 7.
- 3.3 The proposed structure moves from a model of five departments to four with a view to streamlining management to engender more collaborative working and eliminate silos. The new structure is predicated on leaders at the top of the organisation having wider portfolios and operational decision making being pushed down the chain to the right level to free up strategic capacity.
- 3.4 At the third tier, the Assistant Director grade will be phased out and replaced by the Director grade. The new Director roles have been designed to be broader and more flexible, focussing on strategy development at the Directorate and functional level and passing operational accountability to the Heads of Service. Their focus is not just on their area though, they have a responsibility to link initiatives across the council where it makes sense to do so. They will be focused on strategic implementation, thinking beyond the year ahead and will be using considerable interpretative and evaluative judgement to address issues that are noticeably different from what has been encountered before. They will be integrating several functions, with a focus on increasingly collaborative working that meets Council-wide objectives. They will need to be focussed on using their strategic capacity to drive and implement change, using the technical and managerial capacity that exists underneath them to drive the operational outputs.

The positions which will be deleted, changed and created are as follow:

3.4.1 People Department (Appendix 2)

The Executive Director for Housing, Health and Adult Social Care and Schools and Children's Services will be deleted and replaced by an Executive Director of People. This will allow for the integration of Children's and Adult Services under one portfolio facilitating more collaborative working and economies of scale where there are synergies within the services. Given the broad brief of the new Executive Director there will be a need to push down accountabilities to the next layer of management. To reflect this, the positions of Assistant Directors, Adult Social Care, Education and Children's Social Care will be regraded to Director positions.

The Assistant Director Service Development and Youth Services position which is currently covered by acting up management will be redesignated as Assistant Director Early Intervention and Partnerships and will be deleted with effect from 31 March 2019 as part of the reduction in the number of leadership positions. The maintenance of this post during the next financial year will enable the smooth transition of responsibilities to the other four Director posts with effect from 1 April 2019.

3.4.2 Place Department (Appendix 3)

The position of Assistant Director Property which is currently located in the Finance and Resources Department will be transferred to the Place Department. This will enable the Council to bring together under one portfolio all the property functions which are currently split between three departments. The position will also combine accountability for the economic development function which will provide a wider portfolio and therefore necessitate regrading to the Director grade.

The Meridian Water project is a £10 billion programme (the largest of its kind in London) which is the heart of the Council's agenda to deliver good homes in well-connected neighbourhoods and investing in the infrastructure to create an enterprising environment. At present, the accountability for the programme is vested as Assistant Director level alongside the accountabilities for other regeneration projects e.g. Alma, Ladderswood, and planning. To ensure successful delivery of the Meridian Water project, it is imperative that there is a discrete officer dedicated and accountable for the project. It is for this reason that the Assistant Director Regeneration and Planning be redesignated as Meridian Water Programme Director and the other regeneration projects transferred to the Director of Housing and the planning function will report directly to the Executive Director Place.

As stated above, the regeneration projects outside of Meridian Water will transfer to the Assistant Director Council Housing which is currently located in the Housing, Health and Adult Social Care Department. In addition, the housing assessment functions currently located in the Finance and Resources Department will also transfer. This will enable the Council to bring together all the various elements of housing which will then be located in the Place Department. Given the wider breadth of the role, the post will be redesignated as Director of Housing and Regeneration.

To better reflect the purpose of the role, the Executive Director Regeneration and Environment will be retitled Executive

Director Place.

3.4.3 Resources Department (Appendix 4 and 5)

The Assistant Director Customer Services, Libraries and Council Assessments position will be deleted at a date to be determined in the financial year 2018/19 and redesignated as Assistant Director Special Projects. The primary role of the new post will be to ensure the smooth transfer of the Customer Gateway services to the new Director of Customer Experience with effect from 1 April 2019 and the relevant assessment functions to the People, Place and Resources Departments during the financial year. The Assistant Director Special Projects post will then be deleted with effect from 31 March 2019.

The Assistant Director Transformation and ICT will be redesignated as Assistant Director Customer Experience and Change with effect from 1 May 2018. As stated above, the position will broaden with effect from 1 April 2019 as it incorporates the Customer Gateway services. To reflect this, the position will be redesignated Director of Customer Experience.

The Performance Management Hub will transfer from the Chief Executive's Department to the Director of Finance's portfolio with effect from 1 May 2018. This will allow for the alignment of the function with the Data and Management Information Hub where there is a clear need for close collaboration.

The Assistant Director Commercial currently located in the Regeneration and Environment Department has a brief to identify and pursue commercial opportunities in the department. As commercialisation has been identified as a key strategy to meet the financial challenges ahead, a new position of Director of Commercial located in the Resources Department will be created. This will allow for the alignment of the commercial agenda with the financial and procurement functions. In the meantime, the post of Assistant Director Commercial will transfer to the Resources Department and be deleted at a date to be determined. In line with our cultural change programme, the AD Commercial will be given an opportunity to act up into the Director of Commercial role.

To better reflect the purpose of the role, the Executive Director of Finance, Resources and Customer Services will be retitled Executive Director Resources.

3.4.4 Chief Executive's Department (Appendix 6)

The Assistant Director Human Resources position will be redesignated as Assistant Director Culture Transformation with effect from 1 May 2018, with a brief to lead the culture change programme. The post will then be deleted with effect from 31 March 2019. The HR portfolio of the current postholder will be transferred to the Director of Law and Governance with effect from 1 May 2018.

The Freedom of Information Complaints and Members' Enquiries function currently located in Customer Gateway will transfer to the Director of Law and Governance portfolio with effect from 14 May 2018, to provide a link with the governance services function.

4. ALTERNATIVE OPTIONS CONSIDERED

During the consultation the following alternative option was put forward and considered.

The current Assistant Director Regeneration's portfolio which includes estate renewal and planning should be maintained. In response to this, it should be noted that a reduction in senior management in areas of housing, regeneration, and environment requires a change in the ways of working across the department, particularly with Heads of Service and technical experts. A more collaborative, project-based culture will be developed for complex projects, such as large regeneration or town centre improvements, with a focus on sharing expertise to deliver quality places. In this new way of working, the role of directors is not to be technical experts leading a service function, but to set strategic goals in collaboration with members, build a customer service culture (particularly in statutory services) and ensure that service and project leads have sufficient cross-departmental support and resources to deliver ambitious improvements to areas of Enfield. From this perspective, housing and other estate regeneration projects share similar customers, and property and economy share desired outcomes in facilitating income and attracting and retaining businesses in Enfield. The scale of the council's investment in Meridian Water (MW) and its complexity as a large regeneration site require a dedicated project director to lead the long-term project. Alongside strategy and project management skills, it is important that the project director has sufficient capacity to personally build and maintain relationships with elected members, other government stakeholders, private sector developers and attract potential businesses to MW.

5. REASONS FOR RECOMMENDATIONS

As detailed in paragraph 3.3, the new structure is guided by the agreed organisation design principles specifically the need to have a streamlined council where management layers and spans of control drive effective decision

making and support collaborative working. Developing a more collaborative empowered workforce is also a key tenet of the Council's culture change programme.

As detailed in the financial implications, the restructure reduces the management costs by £367k as part of the drive to meet the financial challenges.

6. KEY RISKS

The reduction of leadership positions will inevitably lead to a loss of expertise and experience, therefore, the new structure will not be implemented fully until 1 April 2019 to enable the exiting postholders hand over accountabilities in a phased way and ensure a smooth transition.

7. IMPACT ON COUNCIL PRIORITIES

The new organisation structure is designed to enable the Council to deliver the Corporate Plan and be the leader of People and Place in the London Borough of Enfield.

8. IMPACT ON PUBLIC HEALTH

Placing Public Health within the People Department will create opportunities for better join up and integration between Children's and Adult Social Care.

9. LEGAL IMPLICATIONS

All legal matters have been addressed in the body of the report.

10. FINANCIAL IMPLICATIONS

The proposed restructure of the top three tiers of the Councils senior leadership team is expected to generate net savings of £367k. Although gross savings of £546k are anticipated through the deletion of four posts, a previously capital funded post (AD for Transformation & ICT) is now planned to be fully revenue funded at a cost of £124k. There is also an additional cost of £55k in regrading existing Assistant Director posts to Director level.

The proposed post deletions include the current Executive Director of Health, Housing & Adult Social Care. This saving has already been captured within the MTFP in 2018-19 but is reinstated from 2020-21 onward as the saving was only temporary due to the post holders secondment to another role. The saving for this post (£157k) which forms part of the overall total of £367k will therefore be delivered from 2020-21, leaving a savings balance of £210k arising in 2019-20 which will be included as part of the medium term financial plan savings.

The structure is to be implemented with effect from 1 May 2018 however no savings are likely to be achieved in 2018-19 with phased reductions in the costs of a post planned for deletion being offset by the additional cost of the existing

AD posts transitioning to Director level.

If redundancy costs become payable these will be met centrally however in the event of early retirement costs becoming due these will be funded by respective departments.

ORGANISATION DESIGN PRINCIPLES

The Council is working to deliver its vision of making Enfield a better place to live and work. As the community leader of the People and the Place, the Council needs to be structured to ensure officers are able to translate Councillors ambitions into tangible outcomes.

To achieve this, all future organisation restructures will be tested against the following principles;

| | |
|---|--|
| 1 | Ensure Enfield is a safe, healthy and socially cohesive place for all its residents, businesses and visitors with a strong focus on safeguarding and promoting the welfare of children, young people and disabled adults |
| 2 | Facilitate the most efficient customer-centred services using the most appropriate delivery systems available and engaging communities to support the delivery of services |
| 3 | Ensure financial sustainability through everything we do |
| 4 | Create a simple and streamlined Council by optimising spans of control, number of organisational layers to drive effective decision-making, at the right levels with robust governance |
| 5 | Inspire a "one council" agile way of working, supporting collaboration between services and with external stakeholders and partnerships by eliminating silos |
| 6 | Create a positive and motivating climate for staff, enable talent attraction, retention and the creation of a diverse workforce, facilitate skills and career development |

| | |
|---|---|
| 7 | Inspire creativity through sharing, learning and taking calculated risks so that organisational change becomes the norm not the exception |
| 8 | Foster ambition, innovation and commerciality, evaluating the best way to deliver services to ensure the Enfield System, the partners that work within it and the Place thrives |

People Directorate proposed structure with key accountabilities

- To be responsible for defining the long term strategy for people's services, including the strategic approach to health and social care integration
- To create and manage strong, effective working relationships between members and the Council and to manage significant strategic relationships
- To ensure the user voice is heard in the development of all council services
- To maintain a strong oversight of the needs of residents to ensure current and future needs of residents are at the heart of everything the directorate does
- To create an empowering and engaging environment in which employees can do their best work

Executive Director People (DCS)

Director of Children & Families Services

- To define the strategy and assure the delivery of children's social care services ensuring all children in the borough are kept safe
- To ensure that children in care and care leavers achieve positive outcomes
- To support disabled children to make a positive transition to adulthood.

Director of Adult Social Care (DASS)

- To define the strategy for adult's social care services
- To ensure that there is a market of care provision that meets local people's needs
- To ensure that vulnerable adults are kept safe
- To enable service adults in the borough with additional needs to access the services they need (including support for those with mental health issues, older people and those with disabilities)
- To act as the commissioner to IWE defining service specifications and performance requirements

Director of Education

- To define the strategy for supporting young people's learning and schools in the borough
- To ensure that all children have a school place
- To ensure that all children are able to flourish at school providing support for those with additional needs
- To support high quality education in the borough
- To ensure high quality early years provision in the borough
- To develop provision that meets the needs of children with SEND.

Director of the Public's Health

- To work across the authority and health partners to define the public health strategy for the borough
- To manage strategic relationships with the CCG and broader health community that enable the development and delivery of the strategy
- To ensure the borough has excellent public health intelligence to drive service development and delivery of public health outcomes.
- To ensure screening and public protection from hazards to their health in terms of communicable diseases.
- To lead and manage the relationship with the Health and well-being board

Tier 3 Transition role – role will be removed on 31st March 2019 and remaining accountabilities transferred to the remaining Director roles.

Assistant Director - early intervention and partnerships

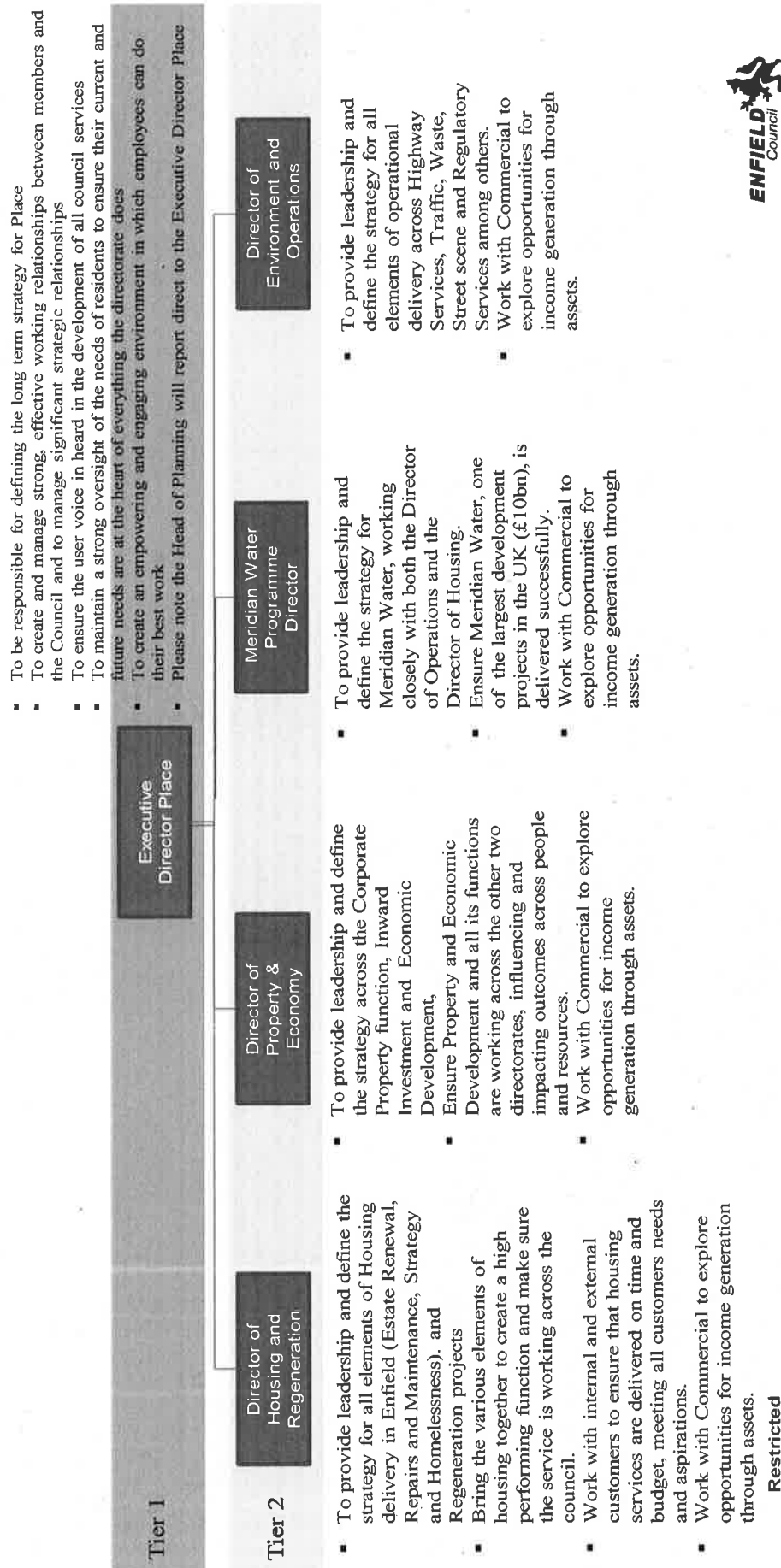
Service proposal

- To lead the development and delivery of early intervention and prevention services in line with the over-arching children's strategy (including troubled families, youth offending services)
- To transition the delivery of community safety services into People Department.
- To work across the services to provide service development, operational support and the commissioning of specific care placements.
- To transition the safeguarding functions into the service

Restricted

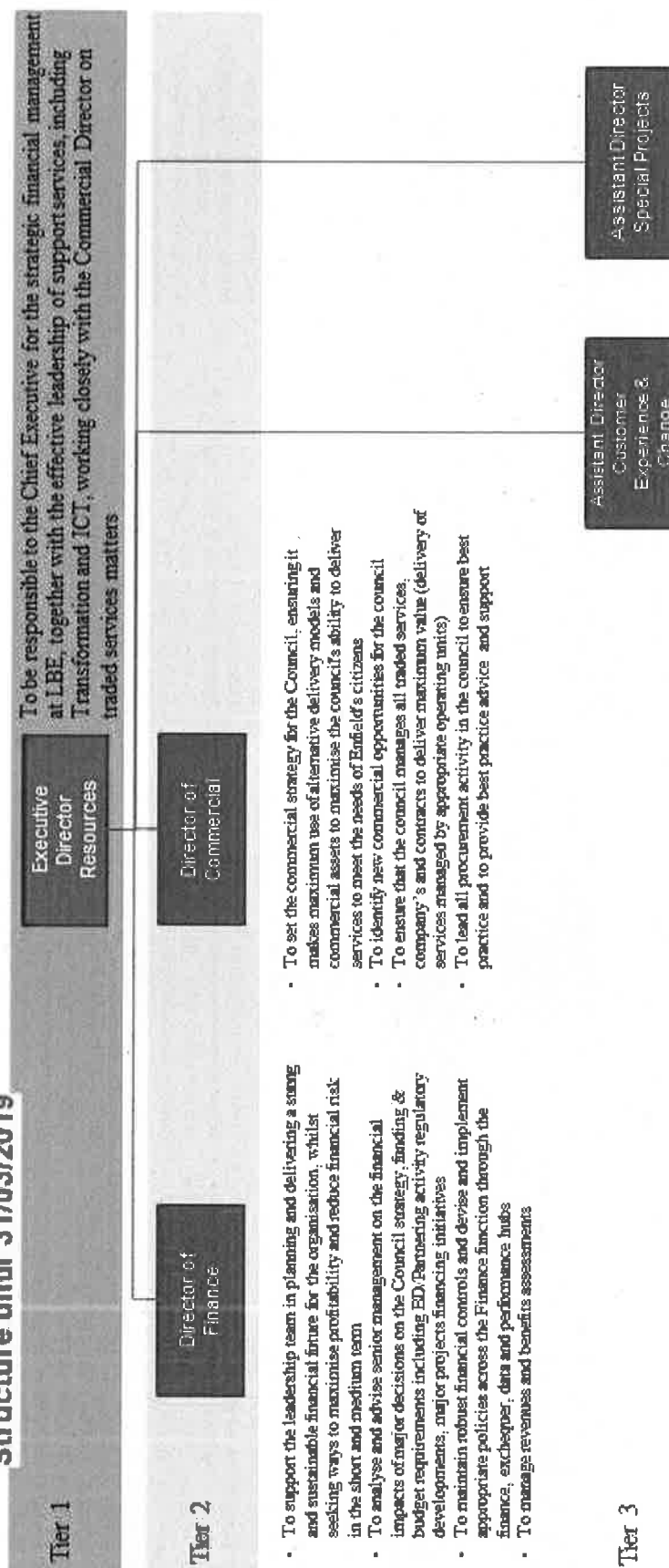


Place Directorate proposed structure with key accountabilities



Resources Directorate proposed structure with key accountabilities

Structure until 31/03/2019

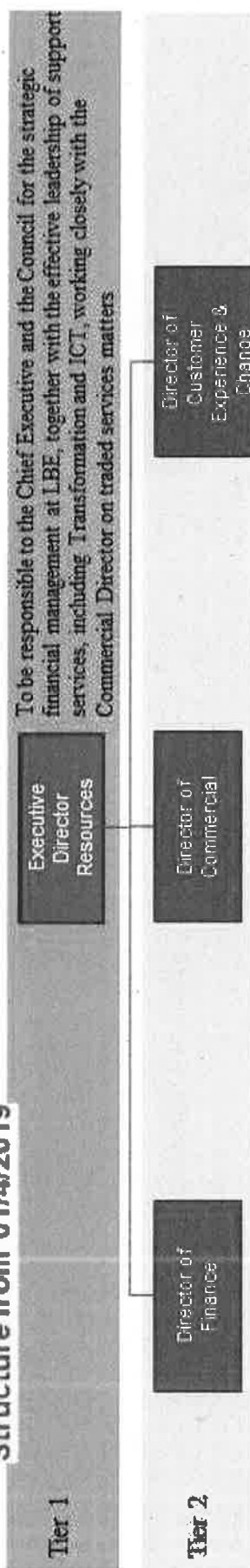


Restricted



Resources Directorate proposed structure with key accountabilities

Structure from 01/4/2019



- To support the leadership team in planning and delivering a strong and sustainable financial future for the organisation, whilst seeking ways to maximise profitability and reduce financial risk in the short and medium term
- To analyse and advise senior management on the financial impacts of major decisions on the Council strategy, funding & budget requirements including BD/Partnering activity regulatory developments, major projects financing initiatives
- To maintain robust financial controls and devise and implement appropriate policies across the Finance function through the finance, exchange, data analytics and performance hubs
- To manage revenues and benefits assessments
- To set the commercial strategy for the Council, ensuring it makes maximum use of alternative delivery models and commercial assets to maximise the council's ability to deliver services to meet the needs of Enfield's citizens
- To identify new commercial opportunities for the council
- To ensure that the council manages all traded services, company's and contracts to deliver maximum value (delivery of services managed by appropriate operating units)
- To lead all procurement activity in the council to ensure best practice and to provide best practice advice and support
- To define the strategy and deliver the ICT Service for the Council, supporting the organisation to deliver its key statutory and wider services
- To facilitate the definition and implementation of the transformation agenda and service improvement
- To develop the customer experience strategy for the council, lead the customer front office and ensure seamless customer service

Restricted

Chief Executive Officer Portfolio proposed structure and key accountabilities

Tier 0

Chief Executive Officer

Tier 2

Director of People & Governance

- To support the Chief Executive in ensuring corporate governance is to a high standard and aligned to help support the delivery of the vision for the Council
- Overall responsibility for corporate governance including acting as the statutory Monitoring Officer and overall management of elections
- To raise the profile and reputation of the Council by working closely with partners and key stakeholders
- To represent the Council on key strategic groups to ensure the Council has a voice and contributes
- To ensure the council communicates with stakeholders to establish good working and collaborative arrangements to help achieve the goals of the Council
- To support the successful delivery of the people strategy (HR and OD).

Tier 3

Transition role – until 31st March 2019

Assistant Director Culture Transformation

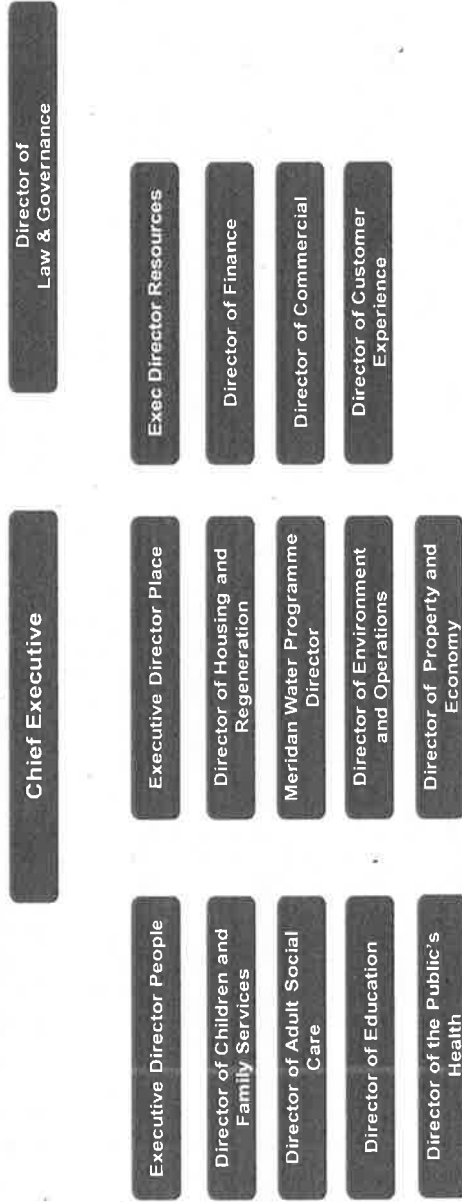
- To lead, manage and be accountable for the performance, development and implementation of robust HR and organisational development strategies which complement the Council's corporate plan
- To be accountable for developing and implementing the employee proposition and workforce strategies that will deliver the workforce aspects of the council's plan
- To act as the Council's lead officer for HR policies ensuring they are legally compliant and fit with the Council's business plan.
- To ensure the Council has a resource strategy and workforce plan to provide the right skills at the right time to deliver its ambitions.
- To be the lead officer for engagement and employee relations with trade unions in the Council.
- To provide advice and guidance on HR topics to Chief Executive, leader and members.
- To lead on describing and to facilitate the culture change to deliver the organisational change agenda.

Restricted



Proposed Structure

from 01.04.2019



Restructure Timetable

| Change | Timeline |
|--|------------|
| Performance Management Hub moves to Director of Finance to align with the Data and Management Information Hub | 1 May 2018 |
| HR moves to Director of Law and Governance | 1 May 2018 |
| Assistant Director HR moves to become Assistant Director Culture Change Programme | 1 May 2018 |
| Executive Director of Finance, Resources and Customer Services Redesignated Executive Director Resources | 1 May 2018 |
| Assistant Director Commercial moves to Resources Department and commences acting up as Director of Commercial | 1 May 2018 |
| School Catering, School Music Service and Leisure and Culture move under the Acting Director of Commercial | 1 May 2018 |
| Assistant Director Transformation and ICT redesignated Assistant Director Customer Experience and Change. Post holder to act into Director of Customer Experience & Change during 2018 | 1 May 2018 |
| Assistant Director Customer Services, Libraries and Council Assessments redesignated Assistant Director Special Projects | 1 May 2018 |
| Executive Director Regeneration and Environment redesignated Executive Director Place | 1 May 2018 |
| Assistant Director Property Transferred to Place Department, redesignated Director of Property & Economy and externally advertised | May 2018 |

| Change | Timeline |
|---|--|
| Assistant Director of Council Housing redesignated as Director of Housing & Regeneration and externally advertised | May 2018 |
| Assistant Director Regeneration and Planning redesignated Meridian Water Programme Director | 1 May 2018 |
| Director of Operations redesignated Director of Environment and Operations. Regulatory Services to transfer to Director of Environment Operations | 1 May 2018 |
| Executive Directors of Children's Services and Health, Housing and Adult Social Care deleted and the post of Executive Director People created | 1 May 2018 |
| Assistant Director Children's Social Care redesignated Director of Children and Family Services and advertised internally | 1 May 2018 |
| Assistant Director Education redesignated Director of Education and externally advertised | 1 May 2018 |
| Assistant Director Adult Social Care redesignated Director of Adult Social Care | 1 May 2018 |
| FOI, Customer Complaints and Members' Enquiries moves from Assistant Director Customer Services to Director of Law and Governance | 14 May 2018 |
| Housing, People Assessments moves to Director of Housing & Regeneration and People Department respectively | Autumn 2018 |
| Customer Services to be moved to Assistant Director Customer Experience and Change | To be determined |
| Council Housing to be moved from Chief Executive Department to Place Department | On permanent appointment of Director of Housing & Regeneration |

MUNICIPAL YEAR 2017/2018 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

OPERATIONAL DECISION OF:

Executive Director – Regeneration and
Environment

Contact officer and telephone number:

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| Agenda – Part: 1 | KD Num: KD 4663 |
| Subject: Agreement to extension of delivery period of New Homes Bonus Projects: Inward Investment for 12 months and shorter extensions for two other projects; to seal the Deed of Variation; to Award and to approve delivery plan | |
| Wards: | All |

1. EXECUTIVE SUMMARY

- 1.1 The Growth Deal for London made provision for £70M of New Homes Bonus (NHB) funding to be used by London boroughs on projects to support the London Enterprise Panel's Jobs and Growth Plan. The NHB is a non-ring-fenced revenue grant to local authorities calculated broadly on the number of homes built in each local authority. All local authorities contributed a proportion of this funding to the £70m in proportion to their share of the total NHB allocation across London in 2015-16.
- 1.2 Enfield submitted bids against three priority themes in the autumn of 2014; namely, Apprenticeships, Skills and Training; Business Support and High Streets. The latter theme was subsequently changed in recognition of Enfield's aspirations for Inward Investment particularly aligned to Meridian Water. The bids were successful and Enfield was awarded a total of £1,082,824 from 2015 to 2017.
- 1.3 A Key Decision was then taken by the Council to deliver three projects as outlined below:
 - *Apprenticeships, Skills & Training - Enfield into Employment*: This industry-led project aimed to create a centralised, co-ordinated approach to business support within the construction and logistics sectors in Enfield with regard to training and accessing apprenticeships and employment opportunities for Enfield residents.
 - *Enfield Business Sector Forum*: The project saw the creation of five business sector forums for five of Enfield's key sectors: food; construction; health & social care; logistics and the green/recycling sector. The ambition was to grow these new forums to include relevant stakeholders, and make the work sustainable going forward by leveraging additional funds from the businesses involved and other sources of funding.
 - *Accelerating Development and Inward Investment in Enfield*: The main objectives of this project are to: i) intensify the number of jobs in our town centres by setting out opportunities for developing workspace, introducing an evening economy and boosting the existing retail and office space; and ii) intensify jobs on our industrial estates by setting out opportunities for developing workspace and maximising utilisation of our available land.

- 1.4 This report seeks Council agreement to extend the delivery period of *Accelerating Development and Inward Investment in Enfield* for a further 12 months to 31st March 2019 and spend to a value of £254,903 setting out the reasons for this extension already agreed by the GLA. This will enable Council lawyers to seal the Deed of Variation of the GLA Funding Agreement. The remaining project budget exceeds £250,000 which meets the criteria for a Key Decision. No additional expenditure will be incurred. The report refers to the need to extend two existing FTC posts managing the other two revenue projects for an additional 1-2 months to complete and submit final project paperwork to the GLA; again, this will not incur additional costs. The funding will be spent on agreed work packages to achieve the GLA targets and create the right environment for Enfield's Inward Investment programme.
- 1.5 The report sets out the agreed delivery plan for the work packages already in progress and requests approval of the procurement and award of the contract for the business start-up scheme at item 2 in Schedule 2.

2. RECOMMENDATIONS

- 2.1 That the Executive Director of Regeneration and Environment approve an extension to the delivery period of the New Homes Bonus funded project *Accelerating Development and Inward Investment in Enfield* the end of March 2019 in order that the necessary Deed of Variation of the GLA Grant Funding Agreement dated 1st April 2015 on behalf of the Council can be sealed.
- 2.2 That the Executive Director of R&E note the delivery plan for a series of work packages, total value £254,903, mostly externally tendered, to contribute to a sustainable inward investment strategy for Enfield aligned to local growth, as well as to the sub-regional and London growth plan and that this programme of work will be delivered by the Neighbourhood Regeneration Service.
- 2.3 That the Executive Director of R&E approve the procurement of the service provider to supply the business start-up scheme services at item 2 in Schedule 2 attached and approve the Award of the 1-year Contract to Bidder A (see Part 2).

3. BACKGROUND

- 3.1 The attached DAR sets out the details of the NHB Programme which comprises three separate but interrelated projects.
 - 3.1.2 The first two projects, *Apprenticeships for the Construction and Logistics Sectors - Enfield into Employment* and the *Business Sector Forums - Construction; Transport & Logistics; Food; Green Technology and Health & Social Care* - are both reaching the end of their delivery and spend period and are likely to complete in March/April 2018.
 - 3.1.3 At the time of writing there is some likelihood that a small amount of project funding will remain unspent by 31.3.2018 so support should be given to enable the funding to continue into the new FY.

- 3.1.4 This would allow the current Project Managers (PMs) on FTCs to remain in post for a further month or so, details to be confirmed. This would enable the PMs to complete the final project administration comprising financial and performance evidence to be returned to the GLA.
- 3.1.5 It also presents an opportunity to complete the evaluation of the effectiveness of the projects. This evaluation will include recommendations on how the Council could continue to support its business community in specific sectors.
- 3.2 The third project, *Accelerating Development and Inward Investment in Enfield*, has undergone a number of changes in its conception and was closely aligned to the Meridian Water development which is the reason for this extension request.
- 3.3 It was envisaged that the Inward Investment project would complement the activity associated with building a new business community within the Meridian Water development. Much of this activity was predicated on the partnership that was expected to be the chosen delivery model at the time. However, changes in this arrangement have meant that the delivery period for the time-limited NHB Inward Investment project has been subject to considerable change hence the need to extend the contract.
- 3.4 A detailed delivery plan and the associated costs are attached to this report. The GLA has already given an in-principle confirmation of its agreement to proceed in this way and the delivery plan set out will complement other GLA-funded activity to support businesses in the borough, eg the Creative Enterprise Zone, Good Growth Fund and the Mayor's Regeneration Fund. Good progress has already been made following Enfield's internal procurement processes to recommend an appointment to deliver the business start-up scheme. Approval is also sought to award the business start-up scheme services contract for 1 year to Bidder A (please see Part 2). The knowledge sector review is also ready to be posted on the London Tenders portal.
- 3.5 The achievements to date through the NHB-funded Inward Investment project have seen the safeguarding of existing jobs and the creation of several new jobs through the accelerated inward investment programme. Over the last two years, a proactive campaign to market Enfield and its opportunity sites has been successful in attracting some big name firms creating in the region of 2,000 new jobs.
- 3.6 New businesses include Caesarstone, an Israeli up-market quartz flooring and kitchen top company; Ladies' designer fashion wear Chi Chi London and Cook's Delight, an award-winning catering supplier of fresh produce.
- 3.7 Other significant inward investments include GIST and Greggs. Camden Town Brewery opened in 2017 initially bringing 150 jobs with more expected; the development of a craft beer cluster has started with other breweries expressing keen interest in Enfield's offer.
- 3.8 Other outcomes from the project to date include:
- Completing negotiations for a new HQ for Metaswitch, an international high-tech software development business which will safeguard 350 jobs and create a further 60 new jobs over the next 2 years;
 - The development and introduction of a fit-for-purpose CRM database and enquiry handling database, as well as a business database of over 7,500 businesses;

- A new property development pipeline and database as well as significant new commercial premises and employment land opportunities is regularly disseminated to inform relevant officers.

3.9 The good work already achieved through the project needs to be continued to diversify and expand the borough's employment base thereby increasing council revenue through increased business rates and creating better opportunities for local residents to access sustainable employment.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 Do nothing option: The project would cease, the work packages would not be completed and the Council could face potential claw-back from the GLA. It would be a breach of the contract with the GLA and would not achieve the contracted outputs, potentially risking damage to Enfield Council's reputation and relationship with the GLA.

4.2 Deliver the business start-up project internally: there is not currently the requisite staff resource or expertise to deliver this in-house hence the need to externally procure.

These options were considered but are not recommended for the reasons outlined.

5. REASONS FOR RECOMMENDATIONS

5.1 The additional delivery period will enable the Council to benefit from lessons learnt through execution of the Business Sector Forums project. This project focussed on five growth sectors and the success of the project will be evaluated in order to draw lessons and recommend further intervention by the Council to develop business support models.

5.2 It is also significant for the Council's reputation that GLA targets are met through this funding and offers the Council an opportunity to align its support for the current business community and to attract newer sectors thereby increasing job opportunities at all levels particularly in areas of the borough experiencing high levels of worklessness.

5.3 The Council does not have the in-house resources to deliver the business start-up scheme work package hence the procurement conducted in accordance with the CPR and good practice and the seeking of approval to Award a 1 year Contract to Bidder A (see Part 2).

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS

6.1 Financial Implications

6.1.1 Enfield Council was awarded £1,082,824 of New Homes Bonus (NHB) top slice funding (NHB LEP programme) for the period of 2015-2017. **However, the GLA has agreed a further revised programme timeline to complete the programme in March 2019.**

The New Homes Bonus is a government scheme aimed at encouraging Local Authorities to grant planning permissions for the building of new homes in return for additional revenue. The New Homes Bonus allocations were top-sliced in 2014/15 by central government to create Growth Fund allocations for Local Enterprise Partnerships, which for London is the Greater London Authority.

6.1.2 This report seeks agreement to extend the delivery period of the NHB-funded project, *Accelerating Development and Inward Investment in Enfield*, for a further 12 months to

March 2019, and sets out the reasons for this extension. The GLA has agreed the variations to the project for which no additional expenditure will be incurred.

| Accelerating Development & Inward Investment | | | |
|--|-------------------------------------|---|---------------------------|
| <u>Project Name</u> | <u>2016/2017 Actual Cost</u> | <u>2017/2018 Projected Spend</u> | <u>Grand Total</u> |
| Original NHB Budget | | | £500,000 |
| Actual Costs To date | £112,565 | | £112,565 |
| Projected Cost | | £132,532 | £132,532 |
| <u>Remaining Balance</u> | <u>£112,565</u> | <u>£132,352</u> | <u>£254,903</u> |
| Request to roll forward the projects remaining budget as at the end of 2017/18 to March 2019. | | | |

- 6.1.3 The report also refers the need to extend two existing FTC posts managing the other two revenue projects for an additional 1-2 months in order to ensure that final project paperwork and submission to the GLA can be completed in a timely manner; again this will not incur additional costs, all of which are met from the original NHB budget of the two projects (Business Sector Forums- Development and Expansion & Apprenticeship Training for the Construction and Logistics Sectors).
- 6.1.4 The funding is earmarked to the relevant projects (as per key decision reports 4157 and 4257). The projects will run from April 2016 to March 2019. The funding is sitting on reserve code 94742 (New Homes Bonus EM Reserve).
- 6.1.5 There are various conditions attached to the grant. The Council can use the funding only to meet the project's objectives in accordance with the grant's agreement with the GLA. The GLA can reduce, suspend or withhold funding or ask to repay it if the Council is in breach of any conditions or fails to deliver the project or meets the project's objectives milestones.
- 6.1.6 The management, financial and monitoring arrangements for running the programme will be subject to the terms and conditions of an agreement between the GLA and Enfield Council, it is important that the funding agreement is drafted so as to minimise the risk to the Council.
- 6.1.7 The relevant expenditure forms will need to be certified and submitted to the GLA quarterly as part of the monitoring arrangements. It must be noted that systems would need to be set up to ensure good documentation is maintained to support quarterly submissions. This will need to be closely monitored to ensure compliance with the grant criteria.

6.2 Legal Implications

- 6.2.1 The Council has the general power of competence under Section (1) of the Localism Act 2011 to do anything that individuals may generally do provided it is not prohibited by

legislation. There is no express prohibition, restriction or limitation contained in a statute against use of the power in this way.

- 6.2.3 The Council must comply with its obligations with regards to obtaining best value under the Local Government (Best Value Principles) Act 1999.
- 6.2.4 The value of the balance of the grant funding to be rolled over exceeds £250,000 therefore the Council must comply with the Key Decision Procedure.
- 6.2.5 Clause 11 of the Grant Funding Agreement between the GLA and LBE provides for any amendments/variations of the agreement to be in writing and signed by the parties
- 6.2.6 As the Funding Agreement was executed under seal a Deed of Variation will need to be entered into under seal before 31st March 2018. This must be approved in advance by the Director of Law and Governance and Legal Services.
- 6.2.7 The Council must comply with the terms of the grant agreement with the GLA as Varied
- 6.2.8 The Council must ensure compliance with the Data Protection Act 1998, General Data Protection Regulation and Data Protection Act 2018 (coming into force 25th May 2018 or shortly thereafter) requirements on processing any personal data. Appropriate measures must be established and maintained to ensure the security of any personal data.
- 6.2.9 Clause 13 of the Funding Agreement provides for compliance with the law for the time being in force in England and Wales and the Data Protection Clause 15 references the DPA 1998 and all applicable regulations, thus it is not considered necessary to amend the Funding Agreement to reference the General Data Protection Regulation in addition, especially as the Council intends to be compliant with GDPR in any event.
- 6.2.10 The Council must be mindful at all times of state aid rules. It has obtained independent legal advice that there are no issues with state aid in relation to the project. Having removed the shop front project, all three projects are now revenue only, not capital projects; hence (unless the projects are subsequently modified) state aid issues should not arise. However, state aid should be considered whenever funds are being made available to third parties; so that any state aid implications can be continually reviewed and assessed.
- 6.2.11 Officers have confirmed that a service provider for the delivery of the Business start-up scheme services has been procured with assistance from P&C Hub, in accordance with the Council's Constitution (CPR Rule 3) 5 quotes were sought, with a minimum of 2 local, but only 2 bids were received. It is understood that P & C Hub approved the award. It is further understood that the quotes have been evaluated in accordance with the ITQ and it is intended to Award the Contract to the most economically advantageous tender
- 6.2.12 Any contract arising out of the procurement of the work package must be approved in advance by the Director of Law and Governance and Legal Services.

6.3 Property Implications

- 6.3.1 The proposed Project "Accelerating Development and Inward Investment in Enfield" has significant overlap with Services provided by Strategic Property Services. It is therefore imperative that resources are not duplicated and efforts are appropriately co-ordinated. In particular, we draw attention to the fact that databases are already in existence and working relationships exist with agents. Strategic Property Services is also currently reviewing its commercial assets, such as its industrial estates and retail portfolio and hence efforts should not be duplicated.

7. KEY RISKS

- 7.1 Detailed risk registers for the Apprenticeship, Business Sector Forum and Inward Investment in Enfield projects have already been identified in the Project Information Forms and logged on Verto.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The programme of projects will provide vital support and partnership between the Council and local businesses as well as increase the opportunities for local residents to obtain apprenticeships and employment in key growth sectors such as construction, transport/logistics and social care.

8.2 Growth and Sustainability

The programme provides strong support to business growth and consolidation. This will safeguard employment as well as create new jobs for local people to access. The programme will encourage inward investment through strong partnering relationships between the private and public sectors especially with regard to business intelligence obtained via the Business Sector Forums.

8.3 Strong Communities

The programme provides strong support to business growth and creates better connections with local communities. This will safeguard employment as well as create new job opportunities for local people to access. Local businesses will become better known to local residents through the marketing campaigns within this programme.

9. EQUALITY IMPACT IMPLICATIONS

Corporate advice has been sought with regard to equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report to access grant funding.

10 PERFORMANCE MANAGEMENT IMPLICATIONS

10.1 Performance management, monitoring and learning

The programme and project management arrangements will be based on industry standards and the standard Enfield performance management approach. Each project will have an evaluation framework to ensure new approaches are tested and learning captured. The Council's Covalent software system will support this activity. A bespoke Customer Relationship Management system (Meganexus) is being developed for collecting confidential client and business information underpinning all the projects in the NHB programme

10.2 Governance Arrangements - Roles and Responsibilities

The NHB programme will be managed by staff resource within the Neighbourhood Regeneration Service.

10.4 Change Control

Project and programme level change will be managed through the Programme Board with any significant change likely to require agreement of the GLA through the quarterly monitoring cycles.

11. HEALTH AND SAFETY IMPLICATIONS

11.1 No health and safety implications have been identified at present.

12. HUMAN RESOURCES IMPLICATIONS

12.1 Inward Investment Project

A project manager needs to be identified to lead the Inward Investment Project. The job role will involve managing a series of work packages which are being developed and will be externally tendered. The role includes collating the quarterly returns and submitting them to the Government Office for London.

12.2 Project managers for the Apprenticeships for the Construction and Logistics Sectors and the Business Sector Forums - Construction; Transport & Logistics; Food; Green Technology and Health & Social Care

A slight underspend is likely to be available which would enable the two current project managers to continue in post for an additional few weeks. This would ensure that the end of project papers are finalised and submitted to the GLA in a timely manner.

It would also ensure better continuity so that the Inward Investment Manager can be inducted into the role by staff still in post that are familiar with the GLA procedures.

13. PUBLIC HEALTH IMPLICATIONS

Increased opportunities for local residents of all ages from deprived neighbourhoods to access employment and apprenticeships should improve social and physical well-being. Expanding the economic base of Enfield will have effects beyond those gaining employment to include family and social connections.

Background Papers

Previous DAR

Schedule 2

Annex to Schedule 1

Annex to Schedule 2 New Homes Bonus Inward Investment programme - the future workplan

Background

The main objectives of this project are:

- i) intensify the number of jobs in our town centres by setting out opportunities for developing workspace, introducing an evening economy, and boosting the existing retail and office space;
- ii) intensify jobs on our industrial estates by setting out opportunities for developing workspace and maximising utilisation of our available land.

iii) Outputs

- 100 jobs safeguarded
- 25 new jobs
- 5 apprenticeships created
- 700 sq m of vacant space brought back into use
- 56 start-up businesses and 250 jobs attracted from workspace

1. Aims of the inward investment and growth strategy comprise:

- to retain, support and grow existing businesses
- to encourage 'move on' businesses into Enfield
- to attract in Foreign Direct Investment and companies looking to grow from inner London Boroughs
- to enhance our Town Centres and attract new retailers and leisure operators
- to develop new business premises in mixed use developments
- to maximise the value of land and future business rate income
- to encourage growth from a mix of sectors (food and drink, construction, logistics, manufacturing, scientific and professional)
- to develop new knowledge based tech, creative, advanced manufacturing and digital businesses
- to position Enfield in growth corridors such as the LSCC and sub-regionally
- to build on the Meridian Water Opportunity Area to create a compelling new place and destination
- to support workspace and start ups

2. Action plan for 2017/2018

Desired outcome: This work programme should enable Enfield to pursue leads more proactively and confidently. It will provide clear messages to businesses about what we can offer and what sets us apart. This should be based much more rigorously on evidence and evaluation rather than just intuition or aspiration.

- We have re-profiled the original programme of activity for 2017/18 to put in place the firmer building blocks to build our evidence base, substantiate our inward investment claims and highlight our comparative advantages and Unique Selling Points.
- More research is needed to understand the future market trends and opportunities to attract new and emerging sectors and technology companies into the Borough. We need to

gain greater understanding of their needs and what Enfield has to offer against their strategic business drivers and the type of business environment they want.

- This will support the development of a more credible and sustainable series of inward investment and business pitches alongside collateral aimed for investors and developers and Government lobbying for infrastructure.
- It will also facilitate broader and wider engagement with external influencers, and greater clarity over our messaging to stakeholders and partners to generate the levels and types of investment Enfield desires.

3. Evidence: Market and sector evidence and analysis

Desired outcome: The database will support a more informed understanding of the sector and supply chain strengths and help target our ongoing strategic business engagement and retention activity better.

See Annexe A. (5- Data.)

- It requires a more comprehensive understanding of the business population by size, employment, industry type, supply chains, innovation, knowledge based businesses, sector and growth rates and where future growth will come from to drive business rate income and quality jobs. This is where the business database activity and analysis is critical.

See Annexe A. (1.- Knowledge sector inward investment review.)

- We need to pick the right targets/segments to go prospecting for regarding future inward investment with the right service/product offering; we can only do this by understanding what the sector and business trends are and the challenges those individual businesses will be facing to identify what they are most likely to want and when from a future business location.
- Such research and customer understanding will provide a series of characteristics to engage investors and business with.
- Furthermore, the review will need to be clear about the specific tech markets and sectors it is intended to serve which will inform its form and function. Companies like SQW, AD Little, Cambridge consultants understand these markets but come with a premium in terms of cost.

4. Property & premises availability

See Annexe A. (3. - Property database.)

Desired outcome : This ensures collectively there is a common view of premises availability in the round and sites likely to be brought forward for future development with a schedule for redevelopment over time, also allowing plans for joint and co-ordinated marketing promotion through different channels to market such as London and Partners and local agents.

- Working integrally with the Neighbourhood Regeneration team and Meridian Water team and the Property services team should allow us to have a central intelligence resource and a

clear overview of Enfield's property portfolio including the location, quality and specification of available premises and sites across the borough.

- The property and employment site development pipeline needs to evolve to include the phasing and bringing on stream of commercial sites of Meridian Water for both meanwhile and mainstream commercial use and also any new development related to Property Services owned assets and land such as Montagu 406, Claverings and any other land holdings acquired on Jeffrey's Road for example.

5. Partnerships - building the ecosystem and support infrastructure

Desired outcome: building upon the existing business support networks to include innovation and knowledge transfer support to strengthen the sector and business offer and strengthen the attraction of the business environment for knowledge-based industries.

- Once the proposed sector, technology and inward investment business targets are identified, there will need to be a complementary piece of work to identify the most appropriate linkages with colleges, Universities and centres of excellence to build a robust eco-innovation system.
- The key piece of work will be to understand what future knowledge based businesses will require from a business friendly location and the types of partnerships Enfield needs to encourage and develop to support the knowledge based industries it wants to attract and to sustain and upskills its workforce for the future.
- This will also necessitate a review of the sector forums and the ability to provide a valued and sustainable service to Enfield's business. A series of options as to the operating model will need to be undertaken which could include a series of options, including as to whether existing networks across London and the sub-region might be best placed to provide this and whether there is a need for a sector forum in all cases, especially where membership of trade bodies might be the most appropriate route. For instance, established sector or membership bodies such as One Nucleus (life sciences) or Cambridge Cleantech (low carbon) or Tech city (ICT) could possibly deliver a service for a London base.

See Annexe A. (4. - Business and innovation support ecosystem.)

See Annexe A. (6. - Sector Forums Review.)

6. Planning for future growth

Desired outcome: a clear vision and roadmap for the future allocation of land for commercial and mixed use development informing future employment land space, future infrastructure needs and likely mixed use development configuration and likely business mix.

- A major piece of strategic work is the Local site option study until 2060, as part of the Local Plan evidence base, including the results of the business surveys and outcomes of the key employment sites review, which will set the vision and aspiration and growth messages for the future development of the Borough and the kind of place it aspires to be as well as an indication over time of the site re-development phasing and premises availability by type.

See Annexe A. (7. Local Plan employment site review AECOM)

The key piece of work already commissioned is the Enfield town centre healthcheck which will help inform the creation of the vision, marketing messages and potential target inward investment leads which can form part of the future inward investment promotion and marketing plan.

Desired outcome: a marketing and inward investment list of potential investors and operators to enliven the town centre.

See Annexe A. (12. And 13.- Winchmore Hill and Palmers Green; Enfield Town Centre Retail Study

7. Promotion and Marketing

See Annexe A – (8. Marketing plan & collateral.)

Desired outcome: A business facing inward investment prospectus/pitch which clearly sets out the vision, the key business relevant and points of differentiation and comparative advantage of Enfield as a location. This should facilitate better targeting of the most likely targets of future investors in sector and cluster niche or emerging technology markets, all underpinned by a comprehensive understanding of market and sector drivers and needs.

Marketing plan – there needs to be a refresh of the Invest in Enfield marketing plan to make it more business targeted. In addition, It needs to complement the suite of marketing literature produced by the London Communications Agency for Meridian Water and our Regeneration activity (Opportunity Enfield), and incorporate the business growth programme of London and Partners, aimed at targeting tech companies from inner London Boroughs.

Key activity:

- a new “investinenfield” website and updated material.
- a programme of business pitches for different sectors (investment prospectus).
- a key employment sites brochure.
- a London and Partners Business Growth marketing programme.

The focus of the marketing programme needs to be more of a value proposition:

“A value proposition is a positioning statement that explains what benefit you provide, for who and how you do it uniquely well. It describes your target buyer, the problem you solve, and why you’re distinctly better than the alternatives “.

- it should promote the location’s business solutions, not just location features
- have a consistent and supporting Brand positioning
- be developed around clearly defined competitive advantages, supported by hard data
- usually involves benchmarking to crystallise location differentiating points and Unique Selling Points (USPs)
- presents location offer in a packaged and compelling way to draw attention to critical facts and statistics
- One form of Proposition can rarely support all Customer requirements!

A typical framework for the content of a business pitch might be as follows:

- What's the offering : (Investment Magnet)
- Where is it?
- What is it? (Key facts / overview)
- What's the business opportunity?
- What future developments planned
- What evidence do we have?

8. Operational enhancements

CRM system. See Annexe A. (9. CRM system.)

We have a basic Excel database acting as a CRM system. The functionality is limited and a business case has been approved by IT to consider the most appropriate IT solution, including sharepoint and Microsoft dynamics. We need to discuss what the best practical solution for seamless allocation of tasks and automatic follow up might be as well as maintenance of business records and associated documentation and emails. This resource will contain account management information and data which will inform future policy development in support of growth.

Additional project management resource. See Annexe A. 10. Internal Project Management costs)

Additional project management capacity to co-ordinate strategies and actions plans and support team progress implementation

Stakeholder engagement. See Annexe A. (11. – stakeholder engagement forums)

Consultations with land owners, tours of spaces open to development and events to support inward investment, research and targeting of potential move-on businesses & establish agent/developer 6 monthly forum. Action plan to attract growing businesses from other Boroughs.

