

**Report of the Head of Economic Development**

**Report to Director of City Development Directorate**

**Date: 20 July 2012**

**Subject: Business & Enterprise (B & E) and Tourism – Secondment of staff to Marketing Leeds**

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| Are specific electoral Wards affected?<br>If relevant, name(s) of Ward(s):   | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| Are there implications for equality and diversity and cohesion and integration?  | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |
| Is the decision eligible for Call-In?  | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| Does the report contain confidential or exempt information?<br>If relevant, Access to Information Procedure Rule number:<br>Appendix number: | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |

**Summary of main issues**

1. This report proposes the secondment of 20.57 FTEs from the Council's business & enterprise and tourism team to the new Marketing Leeds and the transfer of associated operational budgets. It is proposed that the whole of the tourism service and part of the business & enterprise service is transferred to Marketing Leeds. Secondments are proposed for a period of up to three years to 31<sup>st</sup> March 2015.
2. This secondment forms part of plans approved by Executive Board in December 2010 to bring together the Council's business investment, investment marketing and tourism functions with city marketing activities undertaken by Marketing Leeds.
3. It is proposed that 5.99 FTEs plus the existing Head of Service will remain in the Council's Economic Development Unit providing a range of business support services for new start and existing businesses based in Leeds and assisting in the delivery of the new Growth Strategy.

**Recommendations**

4. The Director of City Development has approved the secondment of 20.57 FTEs from Economic Development to Marketing Leeds.

## **1. Purpose of this report**

- 1.1 This report sets out the rationale for the proposed secondment of posts from the B & E and Tourism service.
- 1.2 The report seeks approval to put these arrangements in place by the 1st August 2012.

## **2. Background information**

- 2.1 The B & E and Tourism service provides the Council's Enterprise Support, Business Investment, Investment Marketing, Business Tourism and Leisure Tourism functions. The Service has a net managed budget of £1.64m in 2012/13.
- 2.2 The Service consists of up to 27.56 full time equivalent staff employed in a range of roles (see appendix 1 Staff Structure Jan 2012).

## **3. Main issues**

- 3.1 In response to council budget pressures and the loss of government grant funding, the service has reduced significantly in size from 34.56 FTEs in March 2010, to 30.96 FTEs in August 2011 and 27.56 FTEs in January 2012. In addition to a 20% loss in staff capacity the service has been hit by significant reductions in budgets with the net budget falling from £5.45m in 2010/11 to £1.64m in 2012/13.
- 3.2 The Council has an ambition to be the "best city in the UK". To achieve "best city" status the Council needs a renewed focus on marketing the city, attracting investment and creating jobs. Given limited resources the Council has decided to bring together services provided by the Council's business investment, investment marketing and tourism functions with city marketing functions undertaken by Marketing Leeds. The Council's aim is to use merger to reduce potential duplication, reduce customer confusion, increase efficiency and produce a more coherent offer to attract investment, visitors and jobs to Leeds.
- 3.3 Merger of the services involved was approved in principle by Executive Board on the 15<sup>th</sup> December 2010. Over the last eighteen months progress in implementing merger has been delayed due to the extensive search for a new Chief Executive (CEO) for Marketing Leeds. This search came to an end in December 2011 when Lurene Joseph was appointed as CEO, Lurene took up her new position on the 30<sup>th</sup> April 2012.

## **3.4 Proposal**

- 3.4.1 To respond to this new agenda it is proposed that Council staff involved in delivering business investment, investment marketing & tourism are seconded to Marketing Leeds. A total of 20.57 FTEs have been identified as being in scope, with 5.99 FTEs and a Head of Service not in scope (see appendix 2). Secondment of staff in scope is proposed for up to an initial three years (to the 31<sup>st</sup> March 2015). The project team did consider other options (including TUPE) but secondment was considered in this context to be the most effective way of moving the Council's agenda forward.

- 3.4.2 It is proposed that staff not in scope remain in the Council's economic development unit providing services to new & existing businesses based in Leeds and assisting the Council in delivering it's new growth strategy. The intention is for the Council to retain it's current land/property search service which provides free information on sites/premises available in Leeds while the new Marketing Leeds focuses on generating/converting enquiries that are derived from outside of the Leeds City Region (LCR). The Council will continue to assist new/existing businesses already based in Leeds/LCR with their location/expansion plans.
- 3.4.3 It is proposed that as a interim measure staff seconded to Marketing Leeds from the Locate in Leeds team are line managed by the Investment Marketing Manager. This is an interim measure pending the outcome of current discussions with the Leeds City Region LEP on the role of Marketing Leeds in providing proactive inward investment services on behalf of the city region.
- 3.4.4 It is proposed that given that there is no significant change to staff roles and responsibilities, existing honoraria should remain in place. It is anticipated that once initial merger is completed in 2012/13, there will be a need to review the existing staff structure to ensure it has sufficient capacity to deliver the Council's ambitions to grow investment and jobs in Leeds. Any subsequent restructure involving Council staff will be subject to the Council's existing procedures.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 These proposals were put out for formal consultation with staff on the 1st June 2012. Over the last six weeks staff have asked for further clarity to be provided on future staff structures, whether those staff who currently work within LCC's flexi time system would maintain their existing arrangements and whether staff could retain their council contract if offered promotion in Marketing Leeds (ML). Clarity has also been requested on future JCC arrangements and how the Directorate intends to keep in touch with staff on secondment.
- 4.1.2 Through the consultation process staff have been assured that there is no intention at this time to change current flexi time arrangements and that staff would be able to retain their council contract if they were offered a promotion opportunity in ML. In the short term ML has agreed to join Economic Development JCC arrangements, with this to be reviewed at an appropriate point in the future. Many of the detailed questions asked by staff relate to local management issues i.e. what is the future direction of ML? What is my future work programme ? How will ML staff be integrated with LCC staff ? How will the Council's high expectations of ML be reconciled with current resources ? In practice these questions will be addressed as the new operating model develops over the remainder of 2012/13 and staff have been assured that their views and concerns will be taken into account by local management.

## **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 Equality and diversity considerations have been taken into account in recommending this proposal, a equality impact assessment has been completed and sent to the equalities team for publishing.

## **4.3 Council policies and City Priorities**

- 4.3.1 The renewed focus on marketing the city, attracting investment and creating jobs is in line with the new Vision for Leeds, the Corporate Priority Plan and Council Business Plan.

## **4.4 Resources and value for money**

- 4.4.1 If approved these proposals will have no additional impact on the Council's budget. Existing operational budgets which relate to the delivery of the above functions will be transferred to Marketing Leeds, while Staff budgets related to staff on secondment are retained by the Council.

## **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 This is a significant Operational Decision and therefore not subject to call-in.

## **4.6 Risk Management**

- 4.6.1 If we do not put in place sufficient capacity to respond to the challenging new agenda for marketing & promoting the city then the city's ambitions to be the "best city in the UK" will not be realised.

## **5. Conclusions**

- 5.1 On the basis that no fundamental concerns have been raised in consultation it is proposed that the secondment is approved subject to a satisfactory service agreement and review arrangements being put in place between the Council and Marketing Leeds.

## **6. Recommendations**

- 6.1 The Director of City Development has approved the secondment of 20.57 FTEs from Economic Development to Marketing Leeds.

## **7. Background documents<sup>1</sup>**

- 7.1 Executive Board report: Driving The City Forward: City Marketing, Supporting Investment & Engaging Business – 15 December 2010
- 7.2 Equalities Impact Assessment

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<sup>1</sup> The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.

**Appendices:**

Appendix 1 : Staff Structure – Jan 2012

Appendix 2 : Staff Structure – August 2012

Appendix 3 – Amended FAQs for staff