

Gloucester City Council

Meeting:	Special Organisational Development Committee	Date: 17 th December 2014
Subject:	Realignment of Regeneration and Economic Development Service	
Report Of:	Corporate Director of Services and Neighbourhoods	
Wards Affected:	All	
Key Decision:	No	Budget/Policy Framework: No
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Appendices:	1. Review of Regeneration & Economic Development - Consultation Document	
	2. Consultation responses	
	3. Final proposal	

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 This report sets out details of the responses received and considered during the period of consultation for the realignment of the Regeneration & Economic Development Service. The report seeks approval for the proposed revised structure and subsequent changes.

2.0 Recommendations

- 2.1 Organisational Development Committee is asked to **RESOLVE** that:
- i) The proposed structure for Regeneration & Economic Development, as set out in Appendix 3 to the report, be agreed; and
 - ii) That a decision on the future of the Docks Catering Service be deferred pending the outcome of the Cultural Service review, and that in the interim, it is proposed to change the staff and opening hours as set out in paragraph 3.3 below.

3.0 Background and Key Issues

- 3.1 Proposals to restructure the Regeneration and Economic Development Service were originally presented to staff and Trades Unions through a consultation process that commenced on the 23rd October 2014 and concluded on the 12th November 2014. The Consultation Report was also presented to the Trade Union Consultation meeting on the 11th November 2014 and the Employee Forum on the 13th November 2014.

- 3.2 A significant number of comments were received from staff and Unison asking for the Docks Catering Service (DCS) to be retained, and these are summarised in Appendix 2. Unison also advised the Head of Regeneration and Economic Development that they also had a petition signed by 181 staff asking for the DCS to be retained.
- 3.3 The primary issue raised by the consultation related to the DCS. This is a sensitive issue and recognised as such. The challenge faced by the Council is that the DCS operates at a loss. This is difficult to justify when resources are limited, the Council's offices are located in the city centre with all its food outlets and with the Council working to deliver a challenging Corporate Plan to the benefit of Gloucester's Citizens. As a result of the consultation and input from staff, it is proposed to take the following stepped action:
- Step 1:** As an initial step, it is proposed to change the staff hours and reduce the kitchen opening hours (from 8.30am – 3.00pm to 9.00am – 2.30pm Monday – Thursday and 8.00am – 3.00pm to 8.00am- 2.30pm on a Friday). This would be complemented with already introduced price increases and careful purchasing and management. These changes will take effect at the earliest opportunity.
- Step 2:** In the longer term, it is proposed to incorporate the Docks Catering Service within the Review of Cultural Services, to form part of the proposed solution for catering at the Guildhall and Museums. A final decision on the future provision of this service will, therefore, form part of the outcome of that review.
- 3.4 Having listened to the views of people using this service, Step 1 will ensure a continuity of activity and the service to its customers, will remain largely unaffected. It will also be striving for efficiency and value for money. However, reducing opening hours may not ensure that the DCS will break even. To not break even would create the situation where the Council has to further subsidise the DCS.
- 3.5 By introducing Step 2 it will mean that the full extent of savings within the Regeneration and Economic Development Service cannot be achieved. However, it would be prudent to include it within the wider review to ensure that any economies of scale across the Council's broader catering offer can be achieved. This could also mean that the facility remains available to the staff for the foreseeable future.
- 3.6 The wider Cultural Service review is scheduled to be concluded early 2015. This would mean that the DCS may be subject to a further consultation process in the 2015 calendar year, subject to the outcome of that review.
- 3.7 Retaining the DCS pending the outcome of the Cultural Services review does not impact on the proposal to delete the Facilities Team Leader or Senior Custodian posts and to create a new single post of Senior Custodian. The amount of time required to manage the DCS has been identified as nominal (10%) and can be accommodated within the proposed new structure, for the short term, until the Cultural Services review is concluded.

3.8 The introduction of a two-step approach, is deemed the most appropriate way forward for the DCS. To strive for immediate efficiencies and to also consider the wider benefits of inclusion within the larger Cultural Services review.

4.0 Alternative Options considered

4.1 The objective of the restructure is to meet the required savings target of £100,000, as identified in the approved Money Plan. Alternative solutions have been considered as part of the DCS to consider if there is a more appropriate way to achieve those savings. The remainder of the proposals are deemed to be the only solution should the Council wish to carry on delivering its property based activity.

5.0 Reason for Recommendations

5.1 The recommendations are made on the basis to make the necessary savings. They also recognise the sensitivity surrounding the catering facility and the preferred option to find alternative provision, at no cost to the Council.

6.0 Future Work and Conclusions

6.1 On approval of the proposed structure, the implementation process will commence.

7.0 Financial Implications

7.1 Implementing these proposed changes through closing the DCS would meet the required savings target. The existing salaries cost of the Service (Economic Development, Asset Management, Custodians, DCS and cleaning) is £848,300. The revised structure will generate a revised budget requirement of £746,127, representing a saving of £102,173. This meets the required identified savings target of £100,000.

7.2 Postponing a decision on the future of the DCS, as proposed by this report, does reduce the savings that can be achieved. The budget for the temporary running of the catering service will be adjusted to be a net cost of £5,500. This is the likely running cost under current arrangements and creates a shortfall on the savings target of £3,327. This savings shortfall will be managed by savings elsewhere within the service.

8.0 Legal Implications

8.1 Section 112 of the Local Government Act 1972 provides as follows:

“... a local authority shall appoint such officers as they think necessary for the proper discharge by the authority of such of their functions as fall to be discharged by them ...”

8.2 The realignment of the services within Regeneration and Economic Development Service will ensure that all services within those areas are maintained to support delivery of the Council Plan.

8.3 The Council's Organisational Change policy will be applied in moving from the current structure to the new structure. As with any situations involving potential

redundancies, there is always a possibility that the Council may be subject to unfair dismissal or other employment-related claims.

9.0 Risk & Opportunity Management Implications

- 9.1 The proposed structure offers the appropriate level of resource to ensure an efficient and effective Regeneration & Economic Development Team. The proposal will result in the need for greater work prioritisation but it also creates the opportunity to attract further funding through the Regeneration Team and the delivery of significant capital projects.

10. People Impact Assessment (PIA)

- 10.1 A PIA has been completed which has identified that the closure of the DCS may have an adverse impact on staff with mobility problems. A review of the staff records indicates that closure would affect one member of staff who may find it more difficult to access local outlets. As previously stated, in the event of the closure of the DCS, alternative provisions will be identified. Particular account will be taken of the options for staff with mobility or other relevant issues.

11. Other Corporate Implications

Community Safety

- 11.1 Not Applicable

Sustainability

- 11.2 Not Applicable

Staffing and Trade Unions

- 11.3 All staff affected by these changes, together with the recognised Trade Unions, have been consulted throughout this process.

Background Documents: None