



Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 6 June 2019

Subject: **Proposal to recruit to the role of Director, Economic Services**

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1. Purpose of this report

- 1.1 To inform the LEP Board that, following a review and re-evaluation of the increased breadth of activities in Economic Services, approval will be sought from the Combined Authority to amend the current Executive Head role to a Director role in the Combined Authority.

2. Information

Rationale

- 2.1 The Executive Head of Economic Services role was created in June 2016 as part of the reorganisation of the Combined Authority. At that time, the nature of the activities in Economic Services comprised:

- Trade and Investment team
- Skills team
- Business Growth Hub and Business Growth Programme (capital grants to businesses)

- 2.2 The teams are largely funded by external sources, chiefly European funds and Growth Deal. The exception is the Trade and Investment team, that is revenue funded via the Enterprise Zone receipts that accrue to the LEP, and some recently secured funding for a Key Account Management Team from the Department for International Trade.

- 2.3 Since 2016 the range and complexity of work in these teams has increased, as a result of successes in securing significant amounts of external funding:

Trade and Investment – grown to include:

- a 'Key Account Management' team to work with existing foreign direct investment firms, funded by Department for International Trade;
- an overseas 'China and India' desk, funded via the Business Rate Pool;

- a much larger MIPIM and trade event programme, with increased levels of private sector sponsorship;
- a more complex partnership arrangement for the development of Trade activities, in particular coordination across the ‘Northern Powerhouse’

Skills and Employment Team – grown to include;

- The Employment hub – previously contracted to a private sector provider and now won for delivery through the LEP. This complex programme is funding over 50 posts in West Yorkshire authorities to work with businesses on their apprenticeship programmes (funded by Department for Education);
- Management of the Skills Commission looking at the redesign of the national skills system to deliver better outcomes for the economy;
- Delivery of the Enterprise Advisor programme – refocused on schools in Index of Multiple Deprivation (IMD) areas to deliver on inclusive growth objectives (funded by Careers and Enterprise Commission).

Business Growth programme – grown to include;

- The Travel Plan Network (European funded with some revenue match);
- Ongoing support from the Department for Business, Energy and Industrial Strategy for the Leeds City Region Growth Service (also known nationally as the Business Growth Hub);

Over £10 million of EU-funded business support programmes, including the Resource Efficiency Fund, Access Innovation, Strategic Business Growth programme, Investment Readiness programme and a recent £1.7 million extension to the Business Growth Hub.

2.4 These programmes have added significantly to the complexity of the Directorate and its breadth of activity, which now numbers close to 90 people and funds a further 60 posts embedded in LCR local authorities.

2.5 To this it is also proposed to add a new service area (Commercial and Revolving Investments) as part of the revised treatment of investment and revolving funds in the Combined Authority/LEP. This has been considered by the LEP and Combined Authority in reports earlier this year. A central element of this is the separation of duties between the team engaging with applicants and investments, the team appraising the risks and vfm of such investments and giving advice to a credit committee. It is intended that the first of these elements would be located in Economic Services, and for the Economic Service Director to be the point of accountability for the Combined Authority and the LEP. It would undertake the following tasks:

- Market engagement to identify investment opportunities for capital and revolving funds;
- Development of propositions and brokering the best deal given the project objectives;
- Lead on major commercial / investment transactions to be undertaken by the Combined Authority.

2.6 This team would be funded through the capital grant programmes.

Evaluation

2.7 As a result of the above factors increasing the breadth and accountabilities of the post, a review of the future requirements of the role was undertaken and a revised role profile produced. This has been evaluated against the Hay grade structure used by the Combined Authority/LEP. The evaluation places the job as an 'R' level in the Combined Authority structure – which is the same as the other Director posts in the organisation. The cost implication of this is one grade higher than the current post with a maximum additional cost of £20,111 per annum.

Other options considered:

2.8 It should be noted that the evaluation of this role in the light of new responsibilities was considered alongside other options:

- Splitting the Economic Services Directorate in two. This would increase senior staff costs by a greater amount than the core proposal, and still leave a strategic capacity gap;
- Moving activities into other Directorates – options for increasing the size of the other Directorates were considered with the additional teams moving into them, but again, this would increase the number of senior managers, and would act against the current organisational simplicity of the Combined Authority structure.
- Doing nothing was also considered, but this runs the risk of being unable to recruit into the post, and potential challenge when the role is compared to other Director roles in the Combined Authority.

2.9 Therefore the proposed model is recommended based on it being a lower cost than dividing the directorate and also providing much needed strategic capacity, increasing commercial accountability and adding capacity into economic services strategy policy and service development.

2.10 The main risk to the ongoing requirement for the substantive nature of the post are continued wider uncertainties around the Government's future approach to funding LEPs. However, the risk of this is low given the Government's '*Strengthening LEPs*' initiative, and as the post is largely programme funded, it would be closed if the programme funding also disappeared.

2.11 Local authority Chief Executives have been consulted on this proposal.

Route to recruitment

2.12 As this is a new post a recruitment process is required. A number of options have been considered for the most suitable way of recruiting to the position and ensuring the best field of candidates is identified and considered. The route that would seem to meet the needs would be to:

- Procure a recruitment consultant to carry out the “search” aspects of the process to allow for the best possible field to be directed towards the vacancy to apply.
- The position to be advertised through our own website and networks as well in the Municipal Journal, being the appropriate professional journal for potential candidates in the sector.
- Carry out the shortlisting, assessment and selection process in house within the Combined Authority’s current HR resource
- Establish a member appointment panel with representatives from the Combined Authority and partners to constitute the recruitment panel.

3. Inclusive Growth Implications

- 3.1 The recruitment to this post and ensuring a suitably qualified and experienced post holder in place will be critical in the inclusive growth priorities being met across the organisation.

4. Financial Implications

- 4.1 The substantive role of Executive Head, Economic Services is already part of the Combined Authority 2019/20 budget. The new post is graded at R (£92-106k), resulting in a maximum additional cost at top of grade of £20,111 over the current post which is graded as a Q. This is majority funded from capital programme sources.

5. Legal Implications

- 5.1 There are no legal implications directly arising from this report.

6. Staffing Implications

- 6.1 There are currently interim arrangements in place to cover the position on a temporary basis. Depending on the outcome of the recruitment process, consideration would need to be given to the timing of the ending of these arrangements and any knock on implications. The reporting line is shown below:

Current Structure



Proposed Structure



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7. External Consultees

- 7.1 None undertaken.

8. Recommendations

- 8.1 That the LEP Board note the proposal for the Combined Authority to revise the current role of Executive Head, Economic Services to a Director role and proceed to recruit to it.

9. Background Documents

- 9.1 None.

10. Appendices

- 10.1 Appendix 1 – role profile