

**WIRRAL COUNCIL****CABINET – 20<sup>TH</sup> JUNE 2007****REPORT OF THE DIRECTOR OF REGENERATION****PERMANENT REGENERATION TEAM**

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**1.0 EXECUTIVE SUMMARY**

1.1 This report advises Members of:

- 1) the ending of significant, externally funded regeneration programmes in March and September 2008 and the significant implications of this for the wider regeneration of the Borough and more specifically the Council's staff providing Regeneration services for Wirral;
- 2) the resources necessary to mainstream staff within the Regeneration Department on time limited contracts and additional resources required to enhance capacity to meet the needs of delivering the recently agreed Investment Strategy.

**2.0 BACKGROUND**

- 2.1 The delivery of regeneration activity within Wirral has been almost exclusively funded from external grants for more than ten years. However, it is expected many of these grants will shortly cease and any new financial resources are carrying either no, or very limited management and administration budgets. Currently delivery of regeneration initiatives is undertaken by 28 officers who make up the four teams within the Strategy and Implementation section – Wirral Waterfront (SRB6), Neighbourhood Renewal, Neighbourhood Management and Endeavour (European Pathways programme). Furthermore, other staff located in, primarily, Corporate Services make a significant contribution to regeneration activities.
- 2.2 The teams reflect external regeneration funding streams which the Council has secured and which have included budgets for management and administration. Over time a co-ordinated approach has been taken to delivering the separate programmes and the work has expanded to include a range of additional activities undertaken by the staff to deliver further regeneration outcomes for Wirral. This includes carrying out a number of strategic regeneration functions such as contributing to the development of the Local Area Agreement (LAA), the Investment Strategy and the European Operational Programme for the North West (the successor to the Objective 1 Programme). It has also involved the teams in the implementation of additional regeneration schemes such as the European Strategic Investment Area programme, and Mersey Waterfront Regional Park (MWRP) programme. In addition the teams provide support to the implementation of related initiatives such as Housing Market Renewal.
- 2.3 The Audit Commission undertook an inspection of Wirral Council's regeneration function in November 2004. This inspection rated the service as "a good, two star service that

has uncertain prospects for improvement". The inspection identified that a key reason for the uncertainty for service improvement was the time-limited external funding of the majority of staff delivering the regeneration service, which results in uncertainty for the sustainability of regeneration programmes and insecurity for key managers and staff which also aggravates recruitment and retention issues for regeneration personnel.

- 2.4 An action plan addressing the issues raised by the Audit Commission inspection was approved by Cabinet on 30<sup>th</sup> June 2005. In this Action Plan the Director of Regeneration and Deputy Chief Executive/Director of Corporate Services were tasked to "identify the core staffing needed to ensure the continuity of the council's regeneration effort and put in place a plan to ensure this."
- 2.5 Reports have been considered previously by this Committee and extensive discussions have taken place with Members as part of the Investment Strategy Workshops. It has been agreed at these workshops that Wirral needs to consider how it properly resources these commitments and the development and implementation of the Investment Strategy and that consideration should be given as part of this to mainstreaming those staff currently on time limited funding.
- 2.6 The Council has a contractual obligation to all the existing staff in the Regeneration Teams. If there is no Council funding post March 2008, and if redeployment alternatives cannot be secured, a need for redundancies will arise.
- 2.7 As there is as yet no certainty about the future funding of the regeneration teams and as there are more than 20 people affected, the Council is making arrangements under Section 188 of the Trade Union and Labour Regulations (Consolidation) Act 1992 to inform the Trade Unions and the Department of Trade and Industry and begin formal consultation with them. The notice will be served on behalf of the Council, by the Deputy Chief Executive/Director of Corporate Services.

### 3.0 **CURRENT ACTIVITY**

3.1 The following summary gives a brief overview of some of the areas of work currently undertaken by the Strategy and Implementation Section of the Regeneration Department.

#### 3.1.1 *Wirral Waterfront/Endeavour*

Wirral Waterfront manages the SRB6, SIA and Mersey Waterfront Regional Park (MWRP) resources and supports Housing Market Renewal activity while the Endeavour Team works with partners and communities to deliver Wirral's European Objective One Priority 4 Programme.

The table below captures, in summary, the very significant achievement of the team since they were set up in 2000.

<b>Output</b>	<b>Achieved</b>
Jobs created	3,500
Jobs safeguarded	800
Floor area created	116,000 sq mtrs
Floor area improved	74,000 sq mtrs
Land reclaimed	31 hectares
New business starts	490
Private sector leverage	£100m
Public sector leverage	£50m
People trained and qualified	3,764
People trained and finding employment	2,454

3.1.2 Key projects have included the Wirral International Business Park, Laird Foundation, Lanes Engineering Centre, Lairdside Maritime Centre, Employability projects, Environmental projects such as the A41.

### 3.2 *Woodchurch Neighbourhood Management*

Ensuring that services are effectively delivered at a local level is fundamental to supporting the regeneration of the Borough's most deprived neighbourhoods. This programme brings together service providers from all sectors with local communities to ensure that local need can be met in the most efficient and effective manner and that any additional regeneration resources add value to the mainstream activity. The outcomes of this programme are included in the Borough's LAA and funding of some £1 Million has been secured.

### 3.3 *Neighbourhood Renewal*

A wide range of projects have been delivered through NR reflecting the aim of narrowing the gap between Wirral's most and least deprived neighbourhoods in respect of improvements in educational attainment, employment, health, housing and the environment and reductions in levels of crime and road accidents. Improvements in these floor target areas have been recorded and this has been the result of NRF being used to support service delivery either by statutory agencies or by voluntary and community sector organisations. Securing NRF reflects the deprivation levels within the Borough, but has also been dependent upon an annual Government assessment of the effectiveness of the programme and its operation. Assessments have been positive and some £36.5 Million has been secured for the Borough.

3.4 Each of these externally funded regeneration programmes has clear conditions and requirements and should these not be met then there is the risk that some or all of the funding already allocated to the Council could be reclaimed. Conditions include allocation of funds according to agreed processes, monitoring of projects, evidence of continuous monitoring of asset usage and provision of records for regular audit. These requirements have been met in full by the teams within the Strategy and Implementation section. There is, however, a significant risk that given the lack of funding for the teams after March 2008 (September 2008 for Endeavour) that increasingly staff will leave, the ability to replace them with officers with suitable skills and experience will be compromised and the reduced staff team will find complying with grant conditions, together with the additional work associated with the wind down of the schemes, difficult to achieve.

3.5 Wirral's Investment Strategy provides a firm framework for the future economic development and regeneration of the Borough. Growing the local economy is one of Wirral's key priorities and includes a range of activities aimed at raising productivity, retaining and increasing the number of high value jobs in the Borough, encouraging innovation and enterprise and improving the availability of sites and premises for new investment. The skills and expertise that can be found in the current Strategy and Implementation Section mean that its team members are well placed to contribute to the development and subsequent delivery of the Investment Strategy.

#### 4.0 **ESTABLISHING A PERMANENT REGENERATION DELIVERY TEAM**

4.1 The cost of supporting a permanent regeneration team in the Regeneration Department is £777,000 per annum. This would comprise of 18 people and include the functions of management, finance and monitoring and project delivery. The Authority currently contributes £280,000 from mainstream resources to the regeneration team. When the grant support comes to an end this will leave a shortfall of £497,000 in funding.

4.2 It must be appreciated that the permanent regeneration team will not only secure our existing capacity but this in itself will be insufficient to successfully meet the challenges posed in the development and delivery of the Investment Strategy. In order to meet these needs it is estimated that we would require a minimum of five additional posts (1 Team Leader, 2 Policy Planners, 1 Economic Policy Officer and 1 Administration Officer). The annual costs of this full time staffing complement will be a further £222,000. However, this would require to be supplemented by a range of specialist consultancy assignments which would be estimated to require an additional £200,000 per annum.

4.3 This means that in order to safeguard our existing capacity and put in place sufficient additional capacity to deliver the Investment Strategy, we would require an increase in expenditure of almost £917,000 per annum. However, further consideration needs to be given to the organisational structure required.

4.4 It is therefore proposed that if, in principle, this is acceptable to this Committee and to Cabinet, that a further more detailed report be prepared for the next meeting.

4.5 It is important that a permanent team is established as soon as possible because of the uncertainty of the current funding regimes. This funding would be required from the start of the 2008/09 financial year but commitments to the permanent team are required in 2007/08 if we are to continue with current and future regeneration work and secure the services of the high quality staff we have.

4.6 The consequences of not having a permanent team can be summarised as follows:

- 1) difficulty and probable failure to deliver current regeneration programmes resulting in potential financial penalties through the claw back of grant
- 2) failure to position Wirral favourably for future funding opportunities (such as the North West Operational Programme and LEGI) and inability to deliver the recently agreed Investment Strategy for the Borough
- 3) Failure to support the delivery of "Wirral Waters."

## **5.0 FINANCIAL & STAFFING IMPLICATIONS**

5.1 The cost of a permanent team is £777,000. The Council currently funds posts in the regeneration team to the value of £280,000 leaving a funding shortfall of £497,000 per annum. In addition, a further £420,000 will be required for the additional capacity to deliver the Investment of Strategy.

## **6.0 EQUAL OPPORTUNITIES IMPLICATIONS**

6.1 Any process agreed for establishing a permanent regeneration team will reflect the Council's equal opportunities policies.

## **7.0 LOCAL AGENDA 21 IMPLICATIONS**

7.1 There are no specific implications arising directly from this report. However, the Strategy and Implementation section is actively involved in projects that will have major impacts upon the environment and the well being of people in Wirral.

## **8.0 HUMAN RIGHTS IMPLICATIONS**

8.1 There are none arising from this report.

## **9.0 COMMUNITY SAFETY IMPLICATIONS**

9.1 There are no specific implications arising directly from this report.

## **10.0 PLANNING IMPLICATIONS**

11.1 There are none arising from this report.

## **11.0 LOCAL MEMBER SUPPORT IMPLICATIONS**

11.1 This report will be of interest to all Members of the Council

## **12.0 BACKGROUND PAPERS**

12.1 Department of Regeneration Departmental Plan 2006/2007, and Performance Report for December 2006, and January/February 2007.  
Audit Commission Report – Wirral's Regeneration Services 2005

## **13.0 RECOMMENDATIONS**

That

(1) the work commitments of the Strategy and Implementation section in the Regeneration Department in ensuring that the Council does not face any liabilities in the winding down of the current regeneration programmes and is able to maximise investment opportunities for the Borough in future years, be noted;

(2) it be noted that the funding for staff within the Strategy and Implementation section is primarily provided through external grant funding which is due to cease on 31 March 2008 (30 September 2008 for the Endeavour Team);

(3) the principle be agreed of time limited posts within the Regeneration Department be mainstreamed and that additional capacity be created to help deliver the needs of the Investment Strategy;

(4) the budgetary implications for 2008/09 budget be considered; and

(5) a further report be brought outlining the proposed staffing structure in more detail.

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This report was prepared by David Ball who can be contacted on 0151 691 8395.