

MEETING

REMUNERATION COMMITTEE

DATE AND TIME

MONDAY 13TH OCTOBER, 2014

AT 7.30 PM (OR AT THE CONCLUSION OF GENERAL FUNCTIONS COMMITTEE)

VENUE

HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4AX

TO: MEMBERS OF REMUNERATION COMMITTEE (Quorum 3)

Chairman: Councillor Richard Cornelius
Vice Chairman: Councillor Daniel Thomas

Councillors

Alison Moore
Barry Rawlings
Joan Scannell

You are requested to attend the above meeting for which an agenda is attached.

Andrew Nathan – Head of Governance

Governance Services contact: Kirstin Lambert 020 8359 2177
kirstin.lambert@barnet.gov.uk

Media Relations contact: Sue Cocker 020 8359 7039

ASSURANCE GROUP

ORDER OF BUSINESS

Item No	Title of Report	Pages
1.	Minutes of last meeting	1 - 2
2.	Absence of Members (If any)	
3.	Declaration of Members' Disclosable Pecuniary interests and Non Pecuniary interests (If any)	
4.	Report of the Monitoring Officer (if any)	
5.	Public Question Time (If any)	
6.	Members' Items (If any)	
7.	Commissioning Restructure and associated sharing arrangements	3 - 22
8.	Motion to Exclude the Press and Public	
	That under Section 100A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 9 of Part 1 of Schedule 12A of the Act (as amended)	
9.	Commissioning Restructure and associated sharing arrangements	23 - 24
10.	Any item(s) the Chairman decides are urgent	

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Decisions of the Remuneration Committee

25 March 2014

Members Present:-

AGENDA ITEM 1

Councillor Richard Cornelius (Chairman)
Councillor Daniel Thomas (Vice-Chairman)

Councillor Alison Moore
Councillor Barry Rawlings

Councillor Joan Scannell

1. MINUTES OF LAST MEETING

RESOLVED - That the minutes of the meeting of the Committee held on 20 January 2014 be agreed as a correct record.

2. ABSENCE OF MEMBERS (IF ANY)

All Members were present.

3. DECLARATION OF MEMBERS' DISCLOSABLE PECUNIARY INTERESTS AND NON PECUNIARY INTERESTS (IF ANY)

There were none.

4. PUBLIC QUESTION TIME (IF ANY)

There were none.

5. MEMBERS' ITEMS (IF ANY)

There were none.

6. SENIOR MANAGERS' PAY REVIEW 2014

The Human Resources Director introduced the senior managers' pay review for 2014 as the report detailed. The Committee were requested to consider the report's recommendations which were due to be implemented from 01 April 2014.

During the deliberation of this agenda item the Committee considered that the HR regulations should be amended to highlight an Individual Market Factor Supplement is required to attract talent into the organisation.

RESOLVED

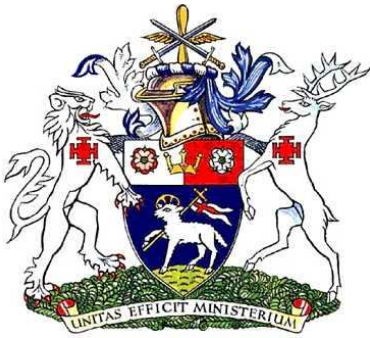
- That the Committee agrees the Senior Manager grades and rates of pay, with effect from 01 April 2014 as identified within the report.

- That the Committee recommend a change to the Council's Constitution to request "Where an Individual Market Factor Supplement is to be included for a position on grades LBB1 to LBB7, The Head of Paid Service, Directors or Assistant Directors must consult with the Chairman of the Remuneration Committee"

7. ANY ITEM(S) THE CHAIRMAN DECIDES ARE URGENT

There were none.

The meeting finished at 19:47

	AGENDA ITEM 7
	<h2>Remuneration Committee</h2> <h3>13 October 2014</h3>
Title	Commissioning Restructure and Associated Senior Management Positions
Report of	Andrew Travers – Chief Executive
Wards	All
Status	Public (with separate exempt report)
Enclosures	Appendix 1: Close of Consultation Document (Final Proposals)
Officer Contact Details	Andrew Travers andrew.travers@barnet.gov.uk 020 8359 7850

<h2>Summary</h2>
<p>This report proposes changes to the senior management structure affecting the commissioning group and delivery units. Details of the proposed changes are set out in the main body of the report.</p> <p>The Chief Executive undertook collective and individual consultations between the 1st September 2014 and 30th September 2014. Recommendations have been made to the General Functions Committee on the 13th October 2014, and subject to their approval or amendments, the Remuneration Committee are requested to consider the recommendations set out in this report.</p> <p>Subject to the agreement of the recommendations, the Remuneration Committee will consider the pay and grading of the new and amended positions, in line with the council's existing senior management pay scales. The Remuneration Committee will also agree the selection and appointment process to chief officer and statutory positions.</p>

Recommendations

It is recommended that the Remuneration Committee **AGREE** the recommendations set out in the body of the report in Section 7.

Alternatives considered

These recommendations and the structure have been subject to consultation and amended as set out in the post consultation report with the final proposals (Appendix 1), subject to the approval of the General Functions Committee.

Consideration to continue with the existing arrangements would result in the retention of the current structure, without the benefit of the savings indicated and improvements to the intention to strengthen the commissioning functions of the Council.

1. WHY THIS REPORT IS NEEDED

- 1.1 The Remuneration Committee is delegated by Council to consider the remuneration of senior officers and the appointment of chief officers within the Council's structures.

2. REASONS FOR RECOMMENDATIONS

- 2.1 To implement the decision of the General Functions Committee, if approved on the 13th October 2014.
- 2.2 In February 2014, the Council approved the current Pay Policy Statement setting out the policy in respect of pay and grading across the Council and senior remuneration as required by the Section 38 of the Localism Act 2011.
- 2.3 This report sets out the structure as proposed to the General Functions Committee on 13 October 2014. Subject to their approval and any amendments or decisions, the Remuneration Committee is delegated by Council to approve the remuneration of senior roles.
- 2.4 As this report is published in respect of a restructure involving chief officers and statutory officers, the Remuneration Committee are asked to agree the approach to the appointment to the new positions.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The development of the proposals included a 30 day consultation with senior managers to explore alternative proposals. The response to the consultation is set out in Appendix 1.

4. POST DECISION IMPLEMENTATION

- 4.1 Should the recommendation be approved, the Remuneration Committee will be asked to consider the approval of the proposed remuneration and the selection criteria for chief officer positions. Positions below chief officer will be subject to an internal appointment process.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The report concerns the commissioning functions of the Council.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 The proposals set out within this report can be contained within the relevant existing budgets of the Council, with savings in the overall cost of senior management and associated support costs.

- 5.2.2 Any redundancies will be funded through the Council's redundancy reserve.

5.3 Legal and Constitutional References

- 5.3.1 Constitution Part 15a Responsibility for Functions the Remuneration Committee decides on and reports back to Council on Chief Officer salary packages.

Remuneration Committee deals with Chief Officer appointments..

Reference to HR Regulations are detailed in the body of the report

5.4 Risk Management

- 5.4.1 The Council's commissioning functions are essential to the continuing transformation of services and delivery of the Commissioning Council aims. To achieve this, the Council requires the right people with the set of skills to commission effective services for our residents. During the transition period between the Committee and implementation date there will be requirement to manage the changes in the commissioning portfolios.

5.5 Equalities and Diversity

5.5.1 The proposals set out in this report have been considered in the Equalities Assessment provided to the General Functions Committee.

5.6 Consultation and Engagement

5.6.1 The consultation of staff affected has been undertaken through group consultation, individual meetings with those directly affected and the opportunity for written feedback. There was positive engagement from the commissioning functions and other senior managers with considered points of view that have been reflected in these final proposals.

5.6.2 The summary of the consultation is set out in Appendix 1.

6. DETAIL

6.1 On 7th November 2012, the General Functions Committee noted a report concluding the re-organisation of the Council and the appointments to senior positions within the structures of the Council.

6.2 The purpose of the reorganisation was to establish firm arrangements for commissioning services and enhance the focus of strategic managers to commission services based on outcomes and a stronger customer orientation. In addition, the restructure released financial savings recognising the need to invest in strategic management capacity whilst delivering savings in management structures.

6.3 The restructure created a Commissioning Group (strategic) and Delivery Units (operational).

6.4 In January 2014, minor management reporting arrangements removed the line management of operational Delivery Units from the Commissioners directly to the Chief Executive.

6.5 In reviewing the effectiveness of the arrangements agreed in 2012, the Chief Executive has set out a rationale to further strengthen the commissioning functions of the Council; provide greater clarity of roles and responsibilities between commissioners and Delivery Unit directors; and to ensure statutory responsibilities sit within the Commissioning Group of the Council.

6.6 To inform the recommendations to this Committee, the Chief Executive has undertaken a consultation within the Commissioning Group and the wider senior management structure.

7 RECOMMENDATIONS

It is recommended that the Remuneration Committee **AGREE**:

1. the remuneration levels of the roles within the new structure as graded through the Hay grading model.

The reason for this decision is that the Council has an approved pay and grading structure as set out in the Pay Policy Statement. If the Remuneration Committee is not in agreement with the graded roles, then it should direct whether the Pay Policy Statement should be revised. The next revision is due in February 2015.

2. the approach to appointing to each of the new roles, given consideration to the Council's duty to mitigate redundancies and ensuring consistency across the roles to ensure equality. The recommended approach to each role is set out below.

The reason for this decision is to ensure objective decision-making and mitigate against possible claims of unfair dismissal by means of redundancy.

And that subject to decisions 1 and 2, and decisions 1 and 2 as set out in the exempt report, the following arrangements are made **TO APPOINT** to the remaining positions:

3. The Commissioning Director (Children and Young People) with the statutory designation as Director for Children's Services be recruited through external advert using a suitable external agency. Details of which will be provided at the Remuneration Committee on 11th November 2014.

And the Remuneration Committee **NOTE**:

4. that under Article 25 of the Council's Constitution (HR Regulations) officers below chief officer designation are the responsibility of the Head of Paid Service (Chief Executive).

In respect of deputy chief officers, the Chief Executive will consult with the Chair of the Remuneration Committee at the time of the appointment, and report to the next available Remuneration Committee any such appointment and remuneration. To this

end, the Chief Executive notifies the Remuneration Committee to **NOTE** his intention to:

5. Conduct an internal process for the appointment to Commissioning Directors for Growth & Development and Environment and to the Head of Communications and Marketing. Should no appointment be made, the appointment process will be undertaken externally.
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London Borough of Barnet

Commissioning Group and other senior positions

Final Proposals for Committee Approval

October 2014

1.0 EXECUTIVE SUMMARY INFORMATION

1.1 OFFICERS

ROLE	NAME	CONTACT
Sponsor	Andrew Travers	Andrew.Travers@barnet.gov.uk
Senior Responsible Officer	Mark Grimley	Mark.Grimley@barnet.gov.uk

1.2 EXECUTIVE SUMMARY

In September 2014, the Chief Executive consulted on proposed changes to strengthen the commissioning functions within the Council and other senior management positions.

During this period of consultation, senior officers engaged fully with considered and thoughtful responses to the consultation. There was broad agreement with the rationale and objectives for the proposals and, as a result of the consultation, some changes have been made to the proposals.

This document should be read in conjunction with the consultation document to avoid repetition of areas where there was agreement or no changes to the original proposal. This document sets out the final structure for consideration by the General Functions Committee.

1.3 CONSULTATION SUMMARY

Consultation began on the 1st September 2014 and concluded on 30th September 2014. Collective consultation was undertaken with the trade unions prior to the start of the direct consultation with employees potentially affected by the changes.

On the 1st September 2014, the Chief Executive set out the rationale and introduced the consultation document to the Commissioning Group and some Delivery Unit employees potentially affected by the proposals.

The Chief Executive undertook nine face-to-face meetings with those potentially affected by the proposals in the first week of consultation. The Director for Human

Resources undertook a further three meetings requested by individuals during the consultation period.

A further 12 individual and one collective written response to the consultation were received by the 1st October 2014.

A summary of the changes is set out below:

Strategic Commissioning Board	<p>There are no proposals to change the role of:</p> <ul style="list-style-type: none"> • Chief Executive • Chief Operating Officer (although there are proposals for changes within the structure of the Chief Operating Officer) <p>It is proposed to reduce the number of Strategic Commissioning Directors from two positions (Director for People, Director for Place) to one (Strategic Director for Commissioning).</p>
Chief Operating Officer	<p>It is proposed to move the communications function into a new team reporting to a Director of Strategy, increasing the capacity for lobbying / reputation management and community engagement. Working with the Director for Human Resources, this role will also work to improve internal communications and engagement.</p> <p>There are proposals that will arise out of the wider Commissioning Group proposals to review the spans and layers of management. This will be done through a separate consultation.</p>
Commissioners	<p>It is proposed to establish new commissioning portfolios and reduce the number of Commissioners, with effects on direct reports (to be completed after January 2015) and develop career structures for commissioners and future commissioners.</p>
Support Structures	<p>A simultaneous review into support structures of senior managers and commissioners will be undertaken by the Head of Programmes and the Office Manager for the Chief Executive.</p>
Assurance / Commercial	<p>There are no proposals to change the Commercial or Assurance functions.</p>
Statutory Officers	<p>There are no proposals to change the designations of the following Statutory Officers:</p> <ul style="list-style-type: none"> • Head of Paid Service (Chief Executive) • Monitoring Officer (Director for Assurance) • Section 151 Officer (and Deputy) (Chief Operating Officer) <p>It is proposed to designate the statutory functions for the adults and children's to the appropriate Commissioning Director.</p>
Delivery Units	<p>It is proposed that, resulting from this restructure, commissioning functions within Delivery Units will be moved into the new commissioning portfolios.</p>

1.4 FINAL PROPOSED STRUCTURE AND FUNCTIONS

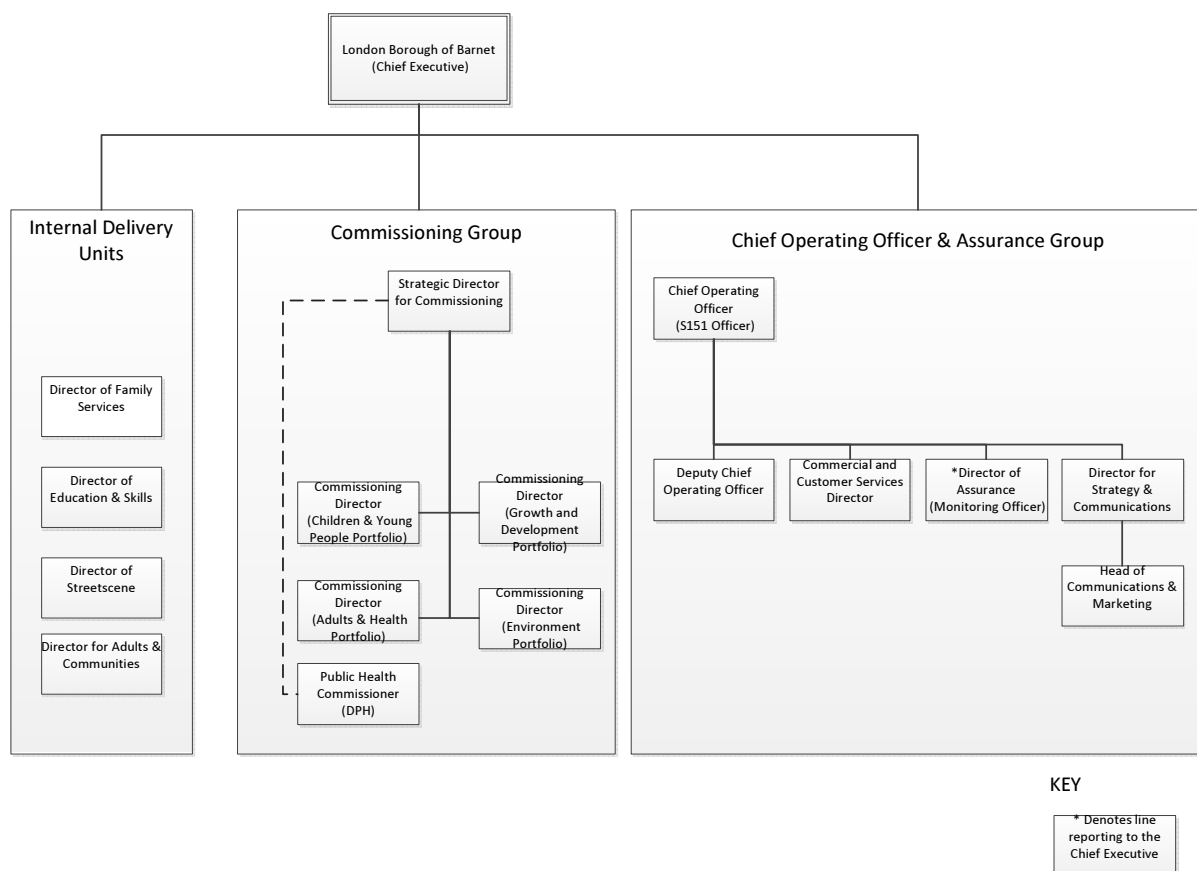
The final structure recommended to the General Functions Committee broadly follows the proposals with these changes following consultation:

- Skills to move from Children & Young People Portfolio to Growth and Development Portfolio.
- Leisure to move from the Environment Portfolio to the Adults and Health Portfolio
- Director for Strategy to change to Director for Strategy & Communications

Therefore the final portfolios are as follows:

Children and Young People	Growth and Development	Adults and Health	Environment
Commissioning outcomes in respect of: <ul style="list-style-type: none"> • early years • schools • family support • youth services • libraries • children’s safeguarding • children’s social care 	Commissioning outcomes in respect of: <ul style="list-style-type: none"> • planning • development and regeneration • housing • enterprise • employment • skills 	Commissioning outcomes in respect of: <ul style="list-style-type: none"> • health and wellbeing partnerships • adult social care • adults safeguarding • leisure (Working with the Joint Director for Public Health in commissioning outcomes).	Commissioning outcomes in respect of: <ul style="list-style-type: none"> • waste management • cleansing • parks • community safety • parking • highways • regulatory services
Evolving capacity with new delivery arrangements for: <ul style="list-style-type: none"> • services and support to schools • early years and help • skills 	Evolving capacity with new delivery arrangements for: <ul style="list-style-type: none"> • employment programmes • housing strategy 	Evolving capacity with transfer of current adult social care commissioning and further integrated commissioning with health for all non-acute services	Evolving capacity with new delivery arrangements for: <ul style="list-style-type: none"> • waste • cleansing • parks • leisure and transfer of current community safety and leisure commissioning functions

The structure for the senior management of the Council is as follows:



Other considerations arising from the consultation were:

- The statutory requirements for the Director for Children’s Services and Director for Adult Social Services. These have been given due consideration and it has been agreed that for the purposes of assurance, safeguarding matters and professional standards and practice, the designated officers will attend the Council’s Strategic Commissioning Board for its assurance focus.
- It has been identified that there is limited capacity and support for the existing commissioning function and that a greater alignment of commissioning resources within Delivery Units, as well as additional commissioning capability will be required. This will be the first priority of the Strategic Director for Commissioning to identify requirements and resources to address this. This includes policy roles currently within the COO and strategy functions of the Council.

- The relationship between the Commissioning Directors and the commercial and performance functions of the Council need to work closely together to manage contracts and deliver the outcomes required.
- Joint employment contracts for employees in Re will require clarification between Re and the Council changes to management arrangements, although the individuals concerned are not directly impacted by these changes.
- The location of the responsibilities for Barnet's Housing Strategy will require consideration and a greater degree of control directly by the Council's Commissioning Director for that portfolio.
- Consideration to the roles and support required to the Commissioning Committees of the Council to provide professional advice and guidance.

1.5 CHIEF OFFICERS AND STAUTORY OFFICERS

The Council has to give due regard to the statutory guidance for statutory officers within the structure of the Council. There are no proposed changes for the Head of Paid Service, Section 151 Officer or Monitoring Officer.

The Strategic Commissioning Board will comprise of the Chief Executive, Chief Operating Officer and the Strategic Director for Commissioning.

For the Commissioning Directors designated as statutory officers (Director of Children's Services (DCS) and Director for Adult Social Services (DASS)), whilst not a first tier officer, they will attend the Strategic Commissioning Board (Assurance) with due regard for their responsibilities around safeguarding and professional standards.

APPENDICES

October 2014

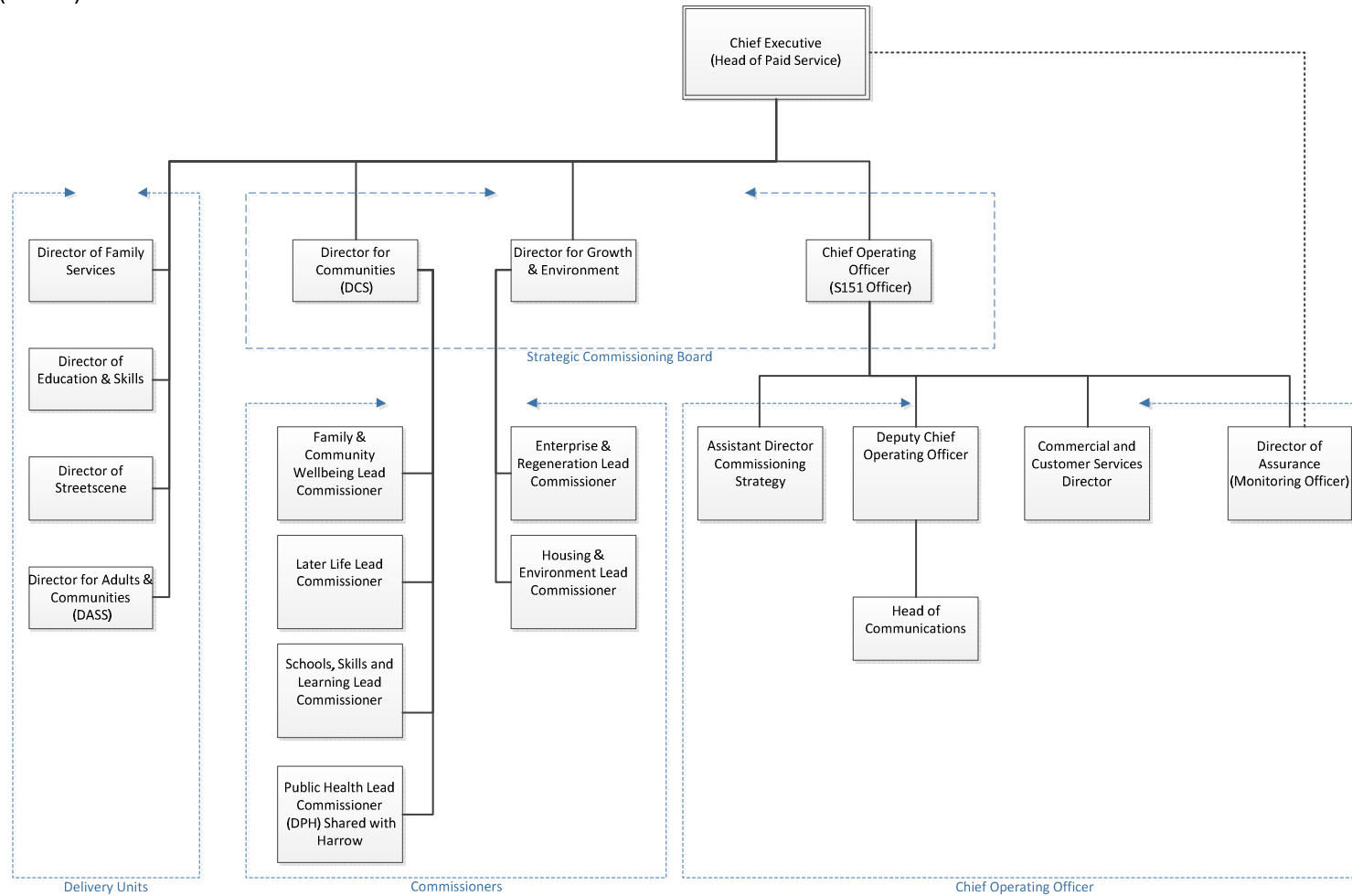
EXITING STRUCTURE – A1

FINAL STRUCTURE – A2

FINANCIAL INFORMATION – A3

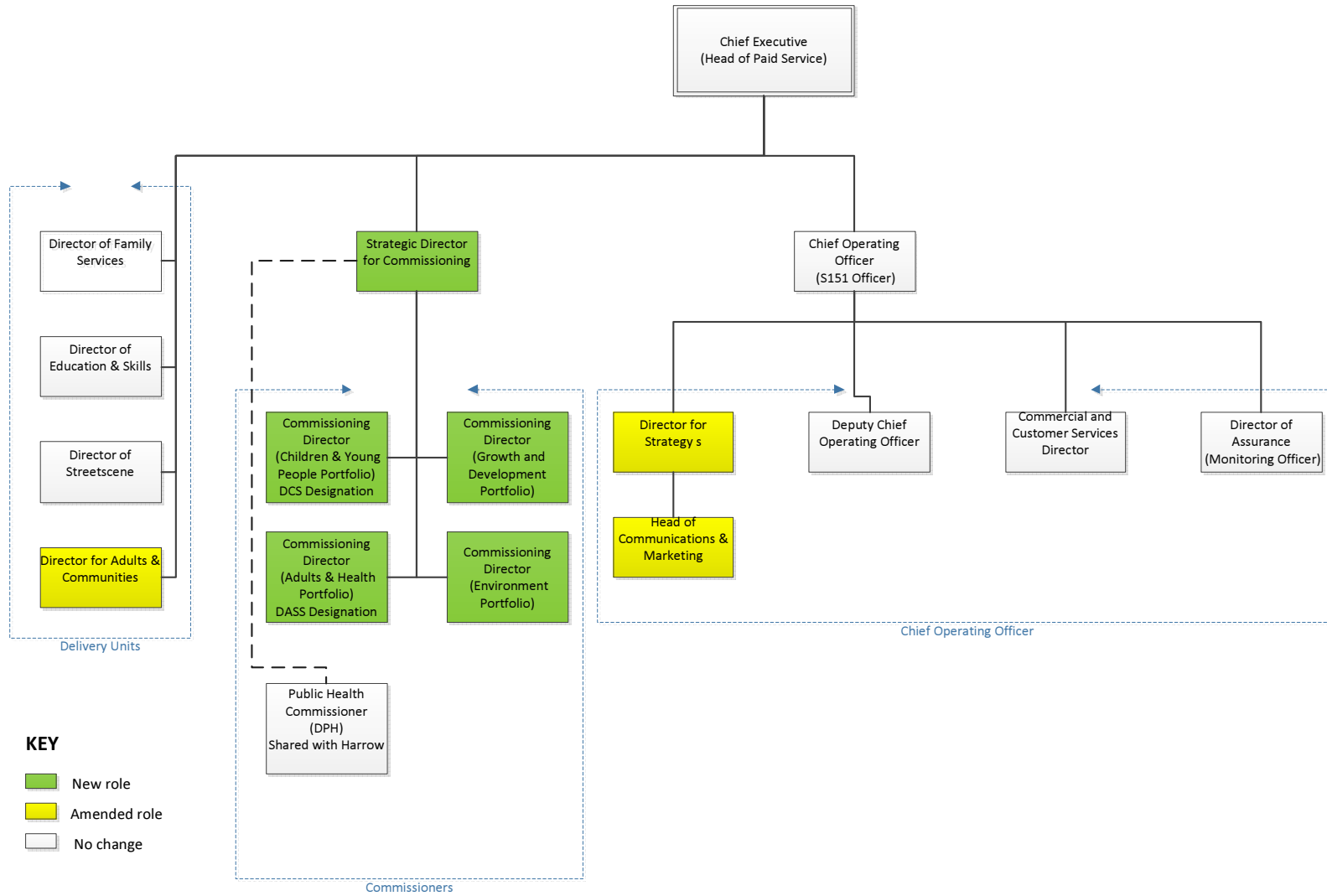
Appendix A: Existing Structure

London Borough of Barnet
 Top-Level Organisational Chart
 June 2014 (Current)

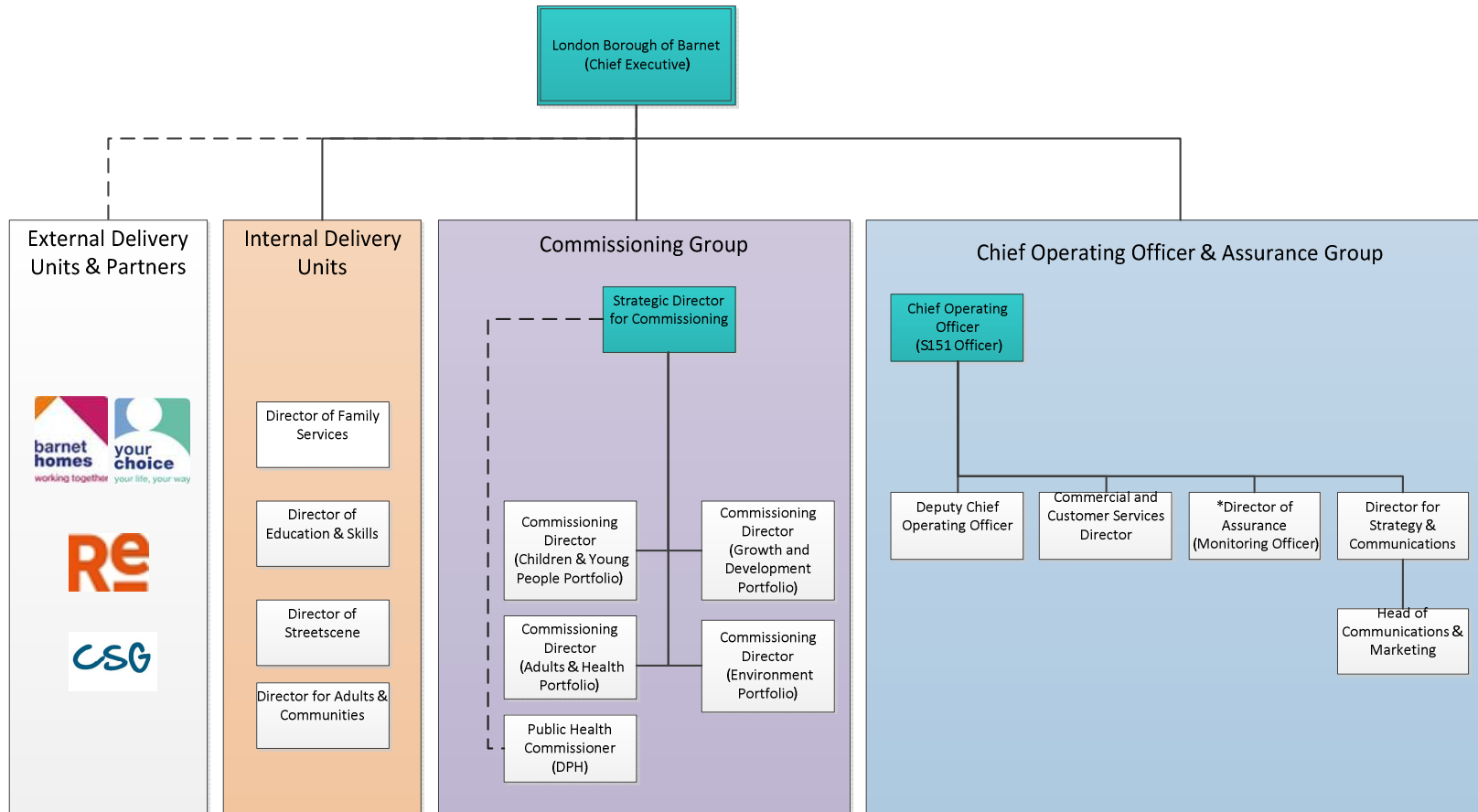


Appendix B: Proposed Future Structure

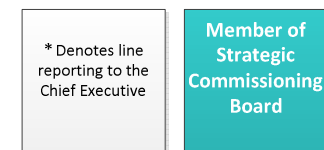
London Borough of Barnet
 Top-Level Organisational Chart
 April 2015



Appendix B: Future Functional Organisation



KEY



Appendix C1: Financial Evaluations

Current financial position of existing roles (within scope)

Area	Role	Lower Grade	Lower Salary	Upper Grade	Upper Salary	Current Grade	FTE	On-costs	Total cost
SCB	Chief Executive	CE1		CE3		187,613	1	44,089	231,702
SCB	Director for Communities	LBB2 (1)	148,464	LBB2 (3)	158,464	158,464	1	37,239	195,703
SCB	Director for Growth & Environment	LBB3 (1)	124,870	LBB3 (3)	134,870	134,870	1	31,694	166,564
SCB	Chief Operating Officer	LBB2 (1)	148,464	LBB2 (3)	158,464	158,464	1	37,239	195,703
Commissioning	Family, Community & Wellbeing Lead Commissioner	LBB5 (1)	85,139	LBB5 (3)	94,599	94,599	1	22,231	116,830
Commissioning	Later Life Lead Commissioner	LBB5 (1)	85,139	LBB5 (3)	94,599	94,599	1	22,231	116,830
Commissioning	Schools, Skills and Learning Lead Commissioner	LBB5 (1)	85,139	LBB5 (3)	94,599	94,599	1	22,231	116,830
Commissioning	Enterprise and Regeneration Lead Commissioner	LBB5 (1)	85,139	LBB5 (3)	94,599	94,599	1	22,231	116,830
Commissioning	Housing and Environment Lead Commissioner	LBB5 (1)	85,139	LBB5 (3)	94,599	94,599	1	22,231	116,830
COO	Assistant Director for Strategy	LBB5 (1)	85,139	LBB5 (3)	94,599	94,599	1	22,231	116,830
COO	Deputy Chief Operating Officer	LBB4 (1)	103,846	LBB4 (3)	113,846	108,846	1	25,579	134,425
COO	Commercial and Customer Services Director	LBB4 (1)	103,846	LBB4 (3)	113,846	113,846	1	26,754	140,600
COO	Director of Assurance	LBB4 (1)	103,846	LBB4 (3)	113,846	103,846	1	24,404	128,250
COO	Head of Communications	LBB6(1)	71,511	LBB6 (3)	79,457	79,457	1	18,672	98,129
Delivery Units	Director for Adults & Communities	LBB3 (1)	124,870	LBB3 (3)	134,870	124,870	1	29,344	154,214
Delivery Units	Director of Streetscene	LBB5 (1)	85,139	LBB5 (3)	94,599	94,599	1	22,231	116,830
Delivery Units	Director of Family Services	LBB3 (1)	124,870	LBB3 (3)	134,870	124,870	1	29,344	154,214
Delivery Units	Director of Education and Skills	LBB4 (1)	103,846	LBB4 (3)	113,846	113,846	1	26,754	140,600
Commissioning	Joint Director of Public Health						1		
						2,071,185	19	486,728	2,557,913

Appendix C2: Proposed financial position

Role	Lower Grade	Lower Salary	Upper Grade	Upper Salary	Assumed Salary	FTE	On-costs	Total cost
Chief Executive	CE1		CE3		187,613	1	44,089	231,702
Strategic Director for Commissioning	LBB2 (1)	148,464	LBB2 (3)	158,464	158,464	1	37,239	195,703
Chief Operating Officer	LBB2 (1)	148,464	LBB2 (3)	158,464	158,464	1	37,239	195,703
Director for Family Services	LBB3 (1)	124,870	LBB3 (3)	134,870	124,870	1	29,344	154,214
Director for Streetscene	LBB5 (1)	85,139	LBB5 (3)	94,599	94,599	1	22,231	116,830
Director for Adults & Communities	LBB4 (1)	103,846	LBB3 (3)	113,846	124,870	1	29,344	154,214
Director for Education and Skills	LBB4 (1)	103,846	LBB4 (3)	113,846	113,846	1	26,754	140,600
Commissioning Director (Children & Young People)	LBB3 (1)	124,870	LBB4 (3)	134,870	124,870	1	29,344	154,214
Commissioning Director (Growth and Development)	LBB4 (1)	103,846	LBB4 (3)	113,846	113,846	1	26,754	140,600
Commissioning Director (Adults & Health)	LBB3 (1)	124,870	LBB4 (3)	134,870	124,870	1	29,344	154,214
Commissioning Director (Environment)	LBB4 (1)	103,846	LBB4 (3)	113,846	113,846	1	26,754	140,600
Director for Strategy & Communications	LBB4 (1)	103,846	LBB4 (3)	113,846	113,846	1	26,754	140,600
Deputy Chief Operating Officer	LBB4 (1)	103,846	LBB4 (3)	113,846	113,846	1	26,754	140,600
Commercial and Customer Services Director	LBB4 (1)	103,846	LBB4 (3)	113,846	113,846	1	26,754	140,600
Director of Assurance	LBB4 (1)	103,846	LBB4 (3)	113,846	108,846	1	25,579	134,425
Head of Communications & Marketing	LBB6(1)		LBB6 (3)	79,457	79,457	1	18,672	98,129

Joint Director of Public Health	71,511		1		
		1,969,999	18	462,950	2,432,949
		Change (101,186)	(1)	(23,779)	(124,965)

AGENDA ITEM 9

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