

Meeting	General Functions Committee
Date	7 November 2012
Subject	Re-organisation of the Senior Officer and Council Structures
Report of	Chief Executive and Head of Paid Service
Summary	This report seeks provides the committee with an update on the re-organisation of the senior management structure

Officer Contributors	Chief Executive and Head of Paid Service Human Resources
Status (public or exempt)	Public
Wards Affected	Not Applicable
Key Decision	Not Applicable
Reason for urgency / exemption from call-in	Not Applicable
Function of	Council
Enclosures	Appendix 1 - EIP
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1. RECOMMENDATIONS

- 1.1 **That the Committee note the report.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 General Functions Committee met on the 23 April 2012 to discuss the Re-organisation of the Senior Officer and Council Structures and agreed the recommendations as set out in that report. Decision No. 6
- 2.2 Remuneration Committee met on the 28 June 2012 to discuss the reward structure for the senior roles in the re-organised structure and agreed the recommendations as set out in that report. Decision No. 7
- 2.3 General Functions Committee met on the 28 June 2012 to agreed the new contracts and terms and conditions of employment for senior post that form part of the senior management review, and for consultation with the trade unions to commence. Decision No. 8

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Corporate Plan sets the vision of Better Services with Less Money and outlines a more efficient organisation that makes best use of people and resources.
 - 3.2 At the meeting of General Functions on the 23 April 2012 the Head of Paid Service set out his ambition for the Council to:
 - 3.2.1 Become a customer centric organisation by placing the customer at the centre of the council's business and for the Council's structures to be formed around this principle, and in addition to facilitate the use of customer insight more effectively.
 - 3.2.2 Make further financial savings - the ongoing reductions in public expenditure necessitates further reductions in the management overhead of the organisation.
 - 3.2.3 Shift the skills requirements for senior staff - there needs to be greater emphasis on the effective client and commercial management of providers.
 - 3.2.4 The public sector situation remains fluid with shifting priorities and funding uncertainties. A more flexible organisation able to shift capacity and better manage resources is needed in this climate.
- 3.3 The report also provided a platform for the council to effectively respond to this challenging environment. It did this by proposing a managed transition to a greater focus on the commissioning of services. This in turn would create a 'core' of the structure, (Delivery Units, The Commissioning Group, and Assurance) that would be adjustable over time as priorities and resources change.

4. RISK MANAGEMENT ISSUES

- 4.1 Ensuring a degree of stability is still a key factor as the reorganisation of the senior management team runs in parallel to two major change programmes, and is itself a response to these in terms of senior management arrangements implementation of these projects. The transition to the new senior management team has been carried out over a six month period to ensure that individuals involved were given the maximum opportunities to engage and be involved, alongside commitments to deliver the change agenda.
- 4.2 A project board was established to manage the review, chaired by the Chief Executive. This board meets on a weekly basis to shape the process, work through issues and make decisions. The objectives of the project board are to manage the implementation, review strategic risk and issues, and provide resolution where appropriate.
- 4.3 A transition work-stream board was established in September with the purpose of taking ownership of the transition plan and to ensure the process of moving to the new senior management arrangements is effectively managed.
- 4.4 Where new posts are not filled as part of the internal or external selection process, interim arrangements will be put in place to ensure continuity of services. This will be necessary to ensure capacity to continue to lead the organisation whilst in a transitional period.
- 4.5 A communication plan is in place to ensure employees are well informed, particularly now as the transition process may involve whole teams or departments moving to new functions.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 An employee Equalities Analysis that has been undertaken monitors the population who decided to participate in the internal selection process at four milestones, and is detailed in Appendix 1. The General Functions Committee report on 23 April 2012 noted two areas to monitor going forward; the female to male ratio and the percentage of White British within the senior management team.
- 5.2 At the beginning of the process 50.79% of the applicants were female and 49.21% male. Throughout the process females have performed slightly better than their male counterparts. After the officer panel interview 56% female and 46% male applicants were successful.
- 5.3 The percentage of White British applicants at the start of the process was 71.43% of the population who applied. This percentage has risen slightly to 76%. The selection process was consistent throughout with all applicants being offered the same support and guidance about the roles and preparation for assessment and interview.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 The strategy of the council is to deliver efficiencies and Value for Money through a mix of service channels. The review of the Pay and Reward strategy has been aligned to this project. On the 28 June 2012 the Remuneration Committee agreed new pay ranges for proposed new posts and these were published on the intranet.
- 6.2 The expected savings of £1,115 million reported in the April report are on track to be achieved.

7. LEGAL ISSUES

- 7.1 The legal issues surrounding changing contracts were outlined in the report to the General Functions Committee in June 2012.
- 7.2 Compulsory redundancies (if any) could give rise to unfair dismissal claims. There could also be a claim from an employee under the Equality Act 2010 if they believed they had been treated unfairly during the process because of one of the protected characteristics under the Act.

8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)

- 8.1 Constitution Part 3 -Responsibility for Functions – 2 – Responsibility for Council Functions - General Functions Committee discharges council functions not reserved to council including staff matters.

9. BACKGROUND INFORMATION

9.1 Principles

- 9.1.1 In the General Functions Committee report in April 2012 it stated that the review of the new senior management structure was informed by design principles developed through consultation with senior managers and experiences of other local authorities

The starting position was that the council's organisational design should follow its strategy and future direction. The aim was to align people, systems, and processes within the local context to deliver the council's vision, so 'form follows function'.

Any new structure was required to:

- Enhance accountability
- Reduce costs
- Respond to a changing policy environment.

The proposals in that report sought to do this by:

- Clarifying roles and responsibilities in the organisation giving clearer accountability for policy, strategy and resource allocation, for delivery of outcomes and for the governance of these arrangements.
- Reduce costs by minimising duplication of roles across the authority and centralising a number of functions in the Commissioning Group.
- Introducing a structure better able to flex to reflect changing priorities or reduced resources.

9.2 Overview of the process

One of the key considerations in undertaking the senior management review was to ensure a degree of stability at a time when major change projects were already taking place. The process was designed to give the maximum flexibility to individuals to consider the career opportunities proposed new senior management structure and minimum risk to the organisation.

Support was given throughout the process to help individuals make the right career decisions, discuss opportunities and prepare for their next role. Comprehensive feedback has been given to those that have participated this was designed to support their career advancement.

The internal selection started in May and concluded at the end of August, and the table below shows the number of applications and applicants that have completed the process. There were a number of applicants that made a decision to apply for more than one post with some applying up to four posts. Applications were also received from individuals operating below head of service who saw this as an opportunity to gain promotion into the senior management team.

The table below summarises the internal applicant activity.

Internal applicant activity	Numbers
Total applications made	102
Number of applicants	63
Number of individuals assessed	56
Number of individuals invited to Officer Panel Interview	39
Number of individuals offered roles, subject to consultation, following Officer Panel Interview	21
Number of internal candidates invited to Member Panel Interview	5
Number of internal candidates successful at the Remuneration Committee interview panel (At the time of writing this report the outcomes from the Remuneration Committee on the 24 October were not available)	2

The process has remained on track with all key milestones met, despite the challenges of summer annual leave and the Olympic Games.

The table below summaries the key milestones of the project

Date	Activity
April – December 2012	Communication and engagement to the organisation on the senior management review
May 2012	Career support
June – August 2012	Internal selection process
September - December 2012	External selection process
September – December 2012	Consultation to delete the existing senior management structure
September 2012	Internal candidates offered roles subject to consultation
October – March 2013	Transition period
January 2013	Go live with new organisational structure and senior officer roles

9.3 Internal selection process

A robust selection process was put in place and is detailed below.

9.3.1 Overview of Assessment and Selection Process:

When considering the assessment and selection process for internal candidates, the organisation wanted to provide a learning experience that would support individuals regardless of whether they stayed at Barnet or moved to another role. It also wanted to ensure that candidates had as much information as possible about the selection process so that they could prepare well at each stage. Our intention was also driven by the knowledge that in providing this level of detail, candidates would be better prepared and so likely to perform better. In addition, this provided everyone with a level playing field which evened out any differences in performance between different groups of staff.

The selection process was divided into three phases:

Pre-assessment

Selection process

Post-assessment

9.3.2 Pre-assessment

Self-Selection Questionnaire (SSQ)

A Self-Selection Questionnaire (SSQ) was produced to offer individuals the opportunity to interact with scenarios that they might face in the new structure. Their responses were automatically scored and they were provided with

immediate feedback as to how close they were to the new model in terms of style and fit. The outputs of the questionnaire were solely for candidate use and no record of the scores were kept. The intention of this tool was to provide participants with a realistic job preview of what a leadership role in the new structure might be like so that individuals could make their own decisions about whether they would be a good candidate.

Pre-application workshops

As the application window opened, we ran seven workshops for all Barnet staff who were interested in applying for one of the new roles. Nearly 90 staff attended the 90 minute workshops which covered topics such as; preparing an application, preparing for an interview and overview of assessment centres. It also provided an opportunity to introduce the new leadership framework and how these behaviours might come to life in the new structure.

In addition to the workshops, information from the session was also posted on the intranet. We also provided a career support to individuals should they have specific queries or if they wanted to discuss their own career aspirations.

9.3.3 Selection and Assessment Process

Application

It was decided that, as all the candidates were internal, we should not place unnecessary barriers to entry. When considering the design of the application process therefore, we sought to keep the data required to the minimum and provided just two questions to be answered:

- Please describe your work experience and track record from the past three years that is relevant for the role for which you are applying
- Please describe what your motivations are to work in a leadership role in this organisation

A supplementary question checked that applicants had the appropriate professional qualifications where these were an essential requirement for a role.

At the application sifting stage, once again, we did not want there to be unnecessary obstacles for internal candidates. We designed a sifting template that used the absolute minimum criteria as the threshold for applications to progress.

Assessment Events

Regardless of level, each assessment event followed the same pattern – a meeting exercise, a written exercise, personality profiling and a technical interview. Each exercise was specific to the level of the role and had its own assessor and scoring guides to ensure standardised and consistent application of ratings.

Candidate performance at the technical interview was scored and reviewed separately to the behavioural part of the assessment centre. The rationale for doing this was that technical or behavioural competence on their own would not be enough in the new proposed structure. Rather performance in both aspects had to be balanced in order to provide a rounded candidate.

A criterion was developed based on the organisations current annual performance review ratings which internal candidates would be familiar with.

Red Did not meet the standard

Amber Would need development to meet the required standard

Green Meets the required standard

Gold Exceeds the required standard

The scores from the technical interview and assessment centre were used to define next steps.

Candidates who were **Red** in their technical assessment (regardless of their assessment performance) did not proceed.

Candidates who were **Red** in their assessment centre (regardless of their technical assessment) did not proceed.

Candidates who were **Amber** in their assessment centre and **Amber** in their technical assessment were offered the opportunity to be interviewed by officers alongside external candidates if the roles were advertised externally.

Candidates who were any combination of Amber/Green/Gold in their technical assessment and assessment centre were invited to an Officer Panel Interview.

Officer Panel Interviews

Candidates successful after the assessment events were invited to attend a final panel interview chaired by the Chief Executive and supported by the Deputy Chief Executive, technical assessor, a Penna recruitment consultant, and an independent assessor and in some cases head-teachers. The panel structure was the same for all candidates. A presentation from the candidates and questions from the panel that assessed their motivation for the role, performance, leadership qualities, technical probes arising from their technical interview and behavioural probes arising from the assessment event.

Before the conclusion of the panel, candidates were asked to step outside the interview room for a brief period whilst the panel ensured that any lingering issues had been probed and addressed.

The outcomes of the panel interviews were reviewed at a 'wash-up' meeting involving the Chief Executive. The principles underpinning the decision making process was as follows:

Score 3.0 and above - Appoint

Score 2.5 to 2.9 - Appoint with development

Score 2.0 to 2.4 - Candidates to be considered alongside external candidates to benchmark performance

Score 1.9 and lower - Decline

Using this rubric, candidates were allocated to the proposed new roles, some with development. Others have been declined and others informed that they can be automatically considered alongside external candidates should these be marketed externally. At this stage, formal offers cannot be made until the outcome of the consultation process is known.

9.4 External selection process

In line with the council's recruitment policy the external selection process did not commence until all opportunities for internal candidates had been exhausted. The selection process for external candidates is the same as the

internal process with the exception that the candidates must pass the technical assessment before proceeding to the assessment that focused on leadership qualities. At the end of the internal assessment events there were eight roles that were advertised externally and further seven roles are now being advertised. It is expected that the selection process for all external roles will be concluded prior to Christmas.

The table below shows details the external recruitment campaign

Phase 1 Roles advertised and interviews taking place	Phase 2 Roles currently being advertised with a closing date of 9 November	Phase 3 Roles to be advertised in the next two weeks
Chief Operating Officer (Strategic Commissioning Board)	Adults Social Care Assistant Director (Adults and Communities)	Education Assistant Director (Children's Services)
Enterprise and Regeneration Lead Commissioner (Commissioning Group)	Head of Prevention and Wellbeing (Adults and Communities)	Head of Education Partnership and Commercial Services (Children's Services)
Older People Lead Commissioner (Commissioning Group)	Head of Integrated Care, Older People and Disabilities (Adults and Communities)	Head of Business Improvement (Street Scenes)
Schools, Skills and Learning Lead Commissioner (Commissioning Group)	Head of Youth and Community (Children's Services)	Head of Internal Audit, Anti Fraud and Risk (Assurance Group)
Head of Information Management (Commissioning Group)	Commissioning Strategy Assistant Director (Commissioning Group)	
Head of Internal Audit (Assurance Group)	Head of Finance (Commissioning Group)	
Early Intervention and Prevention Assistant Director (Children's Services)	Head of Contract Management (Street Scenes)	
Head of Safeguarding (Children's Service)		

9.5 Changes to senior managers terms and conditions

At the meeting of the General Functions Committee on the 28 June 2012 it agreed to the proposed new and modern personal contracts for senior posts.

A ninety day consultation was concluded on the 6th October and during this period Human Resources met with the trade unions on three occasions to provide opportunity to discuss any concerns and shared feedback from their members. Human Resources also shared the details of the proposed contracts with current senior managers and published this on the intranet

inviting comments and feedback. Overall comments received from current senior posts holders were that this was considered as a reasonable set of changes and in line with other organisations.

The proposed changes were:

- There will be no automatic link to national pay negotiations, nor will collective pay bargaining apply. The Council whilst it embeds its new structure may choose to follow National pay negotiations however this will be a matter of discretion of the Head of Paid Service as advised by the Remuneration Committee.
- There will be no link to Green Book or JNC terms for Chief Officers except to the extent that these are a statutory requirement
- The relevant policies as listed in the Employee Handbook will apply to these roles, except as specifically varied in the Contract.
- The annual leave allowance will be a maximum of 30 days plus customary and bank holidays.
- Sick pay will be limited to a maximum of six months at full pay and 3 months at half pay.
- Any previous protection for pay or annual leave will not be maintained.
- The contracts will be permanent and pensionable; accrued continuous service will continue to be maintained; individual Trade Union membership will continue to be recognised.

9.6 Consultation to delete the existing senior management structure

Consultation to delete the current senior management team structure started on the 18 September 2012 and will be conclude after ninety days, ending on the 17 December 2012. The headlines of this consultation are:-

- 9.6.1 A proposed reduction in the senior management team to 47 new posts which will mean the deletion of 81 posts across the organisations senior management structures.
- 9.6.2 To transition to a new senior management team structure that has been shaped and shared in consultation with the current senior managers.
- 9.6.3 A talent management approach is being used to give senior managers the opportunity to consider their career options, and support them throughout the process.
- 9.6.4 As at the 7 August 2012, it is expected that 30 of the 81 posts will be transferred to new providers as part of the New Service Customer Support Organisation and Development Regulatory Services.
- 9.6.5 To make savings over three years of £1,115 million.

9.7 Children's Services

In the April report to General Functions Committee it set out only minimal changes to children's services structure and asked the director of Children's Services to bring forward proposals for consideration. These proposals were

to focus on the authority's leadership of educational standards, structures to deliver the families/troubled families agenda and work with the director for people to develop effective strategies for the delivery of outcomes for families.

During the summer the current Director of Children's Services was offered, and accepted, a secondment to the DCLG troubled families programme and interim arrangement have been put in place. Kate Kennally is the acting as the Interim Director of Children's Services and this will continue until the new senior management structure is implemented, following the conclusion of consultation in January 2013.

The Children's Services function within the new senior management arrangements will transition to a 'delivery unit' and as part of this change the current post of director of children's services will be reviewed. a report will need to come back to this committee and where necessary Cabinet describing a series of recommendations.

9.8 Transition arrangements

A Transition works-stream board has been established to take ownership of the transition plan and ensure the process of moving to the new structure is effectively managed. To allocate ownership for work required to implement the new structure and review deliverables created from this work. The key streams of work focus on how; structures below the senior management team will transition, new governance arrangements, establishing new relationship and ways of working, changes to processes and information management, and organisation development. The objectives of the board are to:-

- Bring together various viewpoints from the organisation to add ideas, scrutiny and challenge to the transition to the new structure;
- Bring together various viewpoints on organisation development to build capability;
- Provide assurance to the project board and where necessary make suggestions to mitigate risk.

9.9 Communication

From the outset it was important to establish a number of communication streams so the employees could engage in the process of change and at the same time be kept informed of progress.

Corporate Management Group received regular briefings including sessions on career management, how the process will work and were encouraged to input into the shaping and developing of the new senior management structure.

An area was created on the intranet for placing documentation that had been published so, they could be referred to and shared. During the process individuals and teams raised questions and queries, these were responded to and also formed the basis of a series 'frequently asked questions' which were published on the intranet. A dedicated email address existed which provided

another route by which feedback from individuals could be considered and responses made.

Cleared by Finance (Officer's initials)	MC/JH
Cleared by Legal (Officer's initials)	CE