

<u>MEETING</u>
CONSTITUTION AND GENERAL PURPOSES COMMITTEE
<u>DATE AND TIME</u>
MONDAY 7TH OCTOBER, 2019
AT 7.00 PM
<u>VENUE</u>
HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BQ

Dear Councillors,

Please find enclosed additional papers relating to the following items for the above mentioned meeting which were not available at the time of collation of the agenda.

Item No	Title of Report	Pages
11.	Creation of new post: Assistant Director - Capital Works	3 - 14
15.	Creation of new post: Assistant Director - Capital Works [EXEMPT]	15 - 24

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Constitution and General Purposes Committee

7 October 2019

Title	Creation of new post – Assistant Director - Capital Works
Report of	Director of Growth
Wards	All
Status	Public
Urgent	Yes
Key	No
Enclosures	Appendix A – Job Description: Assistant Director – Capital Works
Officer Contact Details	Stephen McDonald, Director of Growth 020 8359 2172 – Stephen.McDonald@barnet.gov.uk Chris Smith, Assistant Director of Estates. 020 8359 2987 – Chris.Smith@barnet.gov.uk

Summary

Barnet Council has gone through a major transformation in the way that services are delivered, whether through partnerships or new and innovative operating models. The disbanding of the Commissioning Group in April, in favour of Directorates, has reflected the fact that strategic management has and will continue to be an important function of the council. One of the new Directorates is Growth and Corporate Services, which includes Growth and Regeneration. The Assistant Director - Estates reports into the Director of Growth, and it is a logical step for a new Assistant Director - Capital Works to be created that also reports into the same individual. This paper proposes the creation of that role, reporting into the Director of Growth.

Officers Recommendations

That Committee approves:

- 1. The creation of an Assistant Director – Capital Works post within the senior management team to manage capital works delivery, as set out in this report.**

1. WHY THIS REPORT IS NEEDED

- 1.1 This paper sets out proposed changes to the LBB staffing structure to create a new Assistant Director – Capital Works post, which will report into the Director of Growth. The Assistant Director – Capital Works will lead and manage all future capital schemes for the council.

BACKGROUND

- 1.2 The council has a longstanding approach to service delivery which is based on commissioning services from whichever organisation can deliver them most effectively, whether this a partner from the private, voluntary and community, or public sector; or an in-house service.
- 1.3 In accordance with this approach, on 1 September 2013, the council entered into a 10-year contract with Capita Business Services Ltd to establish CSG, which provides the council's 'back office' functions. These include finance, human resources, information management and estates. As a later addition a Corporate Programmes team was created to manage transformation and capital works projects on behalf of LBB.
- 1.4 However, following the identification of various issues in respect of service delivery, as reported to the Performance and Contract Management Committee (now Financial Performance and Contracts Committee) and Audit Committee, on 19 July 2019 the Policy and Resources Committee announced a review of the council's contracts with Capita guided by three key strategic aims:
 - a) Deliver high quality services
 - b) Secure best value for money for Barnet's residents; and
 - c) Strengthen the council's strategic control of services.
- 1.5 Following the development of a Full Business Case into the review of the Capita contracts, there have been two significant milestones with the Review into the Capita Contracts.
- 1.6 On 11 December 2018, the Policy and Resources Committee agreed to the insourcing of Finance and Strategic HR functions to the council on 1 April 2019. Furthermore, in addition to the continued review of the CSG contract through the year six contract review, at the 17

June 2019 Policy and Resources Committee it was agreed that the Director of Place role and the Skills, Employment and Economic Development team within the Regeneration Service should be returned to the council in the autumn of 2019, subject to the outcome of the necessary financial due diligence.

- 1.7 Concurrently, on 17 January 2019, the Constitution and General Purposes Committee agreed proposals to the realignment of the senior management roles and structure, implemented on 1 April 2019. The principles of the senior management proposals (in addition to the dissolution of the commissioning and delivery split, and financial efficiencies) focused upon the reduction of management layers, increased clarity of accountability, and revised spans of controls.
- 1.8 The existing CSG Capital Works Delivery Team forms a part of the CSG Corporate Programmes Team (created in a response to a Special Project Initiation Request, as opposed to a contract amendment) and manages the delivery of all capital work programmes across the council. The Capital Works Delivery Team has a cross-functional forecast pipeline of schemes encompassing education, development / disposal, and operational schemes. Whilst to date, CSG Corporate Programmes has not featured in any formal contract reviews, the senior managers of that team have recently left the business voluntarily, forcing a review of how capital schemes are managed.

2. REASONS FOR RECOMMENDATIONS

- 2.1 Over the last number of months, there has been a reduction in size of the Capital Works Delivery Team, as a result of the completion of a number of capital schemes and normal staff turnover. Most recently, the remaining senior managers (the Head of Corporate Programmes and the Director of Corporate Programmes) have also both resigned, which has left a leadership vacuum and forced the need to urgently review the delivery model.
- 2.2 The most recent resignation of the Director of Corporate Programmes has crystallised this issue, and presented an opportunity for the council to implement what was fast becoming the logical option i.e. to manage these schemes from within the LBB management structure. The purpose of this paper therefore, is to seek approval to create the role of Assistant Director - Capital Works, to lead the team from within the Senior Management Team as soon as possible.
- 2.3 The proposed Assistant Director - Capital Works role will be a core member of the Capital Strategy Board and will chair internal Education Capital Scheme Board, Development Scheme Board and Operational Capital Scheme Board, thereby managing the entire forecasted pipeline of schemes.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 **Do nothing:** The Constitution and General Purposes Committee could choose to maintain the status quo in respect of the current structure of the team under the Director of CSG

Corporate Programmes within the CSG Capital Works Delivery Team. However, this model has not proven to be optimal for delivering capital schemes for the council. Also, the current levels of vacancy within the team present an opportunity for a wholesale change and realignment of the governance structure under the Director of Growth.

4. POST DECISION IMPLEMENTATION

- 4.1 Should the Constitution and General Purposes Committee approve the proposed creation of an Assistant Director the post will be advertised and the recruitment exercise will be undertaken.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Corporate Plan outlines the council's approach to provide a fair deal for our residents, and a commitment to delivering services that matter most by making decisions to prioritise our limited resources. The aims of this proposal support the key aims outlined in the Review of the Capita Contracts Report discussed at the Policy and Resources Committee in December 2018, and confirmed through the consultation process, which have been designed to ensure high quality, good value services.

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

- 5.2.1 See exempt report.

5.3 Social Value

- 5.3.1 The Public Services (Social Value) Act 2013 requires people who commission public services to think about how they can also secure wider social, economic, and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area of stakeholder.

5.4 Legal and Constitutional References

- 5.4.1 In accordance with Appendix A to the Responsibility for Functions sections of the Council's Constitution, the Constitution and General Purposes Committee has responsibilities for staffing matters (i.e. salaries and conditions of services) other than those within the remit of the Chief Officer Appointment Panel.

- 5.4.2 The HR Regulations in the Council's constitution (Section 2.1) require that no vacant posts at Assistant Director level or above shall be advertised or recruited to without prior Committee approval and all new posts at Assistant Director level or above shall be created by Committee decision (the Constitution and General Purposes Committee, Policy and Resources Committee or Urgency Committee) and not by delegated powers.

5.5 Risk Management

5.5.1 The Assistant Director role reflects a significant step-up from the expectations of the Head of Service roles. The level of interest that this post will attract from potential candidates, and the volume and quality of applications that will be received, are unknown at this time. This risk will be managed through adherence to the Council's processes for advertising and recruiting to senior level vacancies.

5.6 Equalities and Diversity

5.6.1 The 2010 Equality Act outlines the provision of the public sector equalities duty which requires public bodies to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act (2010).
- Advance equality of opportunity between people from different groups, and
- Foster good relations between people from different groups

5.6.2 The broad purpose of this duty is to integrate considerations of equality and day to day business and keep them under review in decision making, the design of policies and the delivery of services.

5.6.3 The job description for the Assistant Director role has been produced and evaluated within normal HR practice.

5.7 Corporate Parenting

5.7.1 The changes have no direct impact on looked after children or care leavers.

5.8 Consultation and Engagement

5.8.1 The proposed changes form the basis of a public consultation which took place on the Review of the Capita Contracts. The public consultation commenced on Monday 17 December 2018 and concluded on Friday 15 February 2019. The consultation process has informed the approach taken when conducting the review and recommendations in respect of the future delivery of services.

5.8.2 The changes do not require a specific public consultation because they do not directly impact on service users.

5.9 Insight

5.9.1 The analysis undertaken to date has been based on the current contractual model, information provided by Capita, and legal review of the contract.

6. BACKGROUND PAPERS

- 6.1 Special Meeting, Constitution and General Purposes Committee, 3 May 2017 - Item Six: Senior Management Restructure -
<https://barnet.moderngov.co.uk/documents/s39511/Senior%20Management%20Restructure.pdf>
- 6.2 Special Meeting, Policy and Resources Committee, 19 July 2019 – Item Eight: Review of Capita Contracts – Strategic Outline Case –
<https://barnet.moderngov.co.uk/documents/s47263/Capita%20Realignment.pdf>
- 6.3 Policy and Resources Committee – 11 December 2018 – Item Seven: Review of Capita Contracts –
<https://barnet.moderngov.co.uk/documents/s50134/Review%20of%20Capita%20Contracts.pdf>
- 6.4 Policy and Resources Committee – 11 December 2018 – Item Eight: Corporate Plan 2019 – 24, Business Planning, Medium Term Financial Strategy 2019/24 and Draft Budget for 2019/20 -
<https://barnet.moderngov.co.uk/documents/s50139/Corporate%20Plan%202019-24%20Business%20Planning%20Medium%20Term%20Financial%20Strategy%20201924%20and%20Draft%20Budget%20.pdf>
- 6.5 Constitution and General Purposes Committee, 17 January 2019 – Item Seven: Senior Management Restructure –
<https://barnet.moderngov.co.uk/documents/s50825/Senior%20Management%20Restructure%20Final%20Published%20Amended%20JH.pdf>
- 6.6 PWC Capital Programme Governance Review Findings dated July 2019 – available on request.
- 6.7 Policy and Resources Committee – 17 June 2019 – Item Seven – Review of Capita Contracts –
<https://barnet.moderngov.co.uk/documents/s52969/Review%20of%20Capita%20Contracts.pdf>

Assistant Director – Capital Works Delivery

Role Type: Strategic, Commissioning & Operational
Role Level: Grade 6

Context

Barnet Council has gone through a major transformation in the way services are delivered, whether through partnerships or new and innovative operating models. Key to this originally was the Commissioning Group (CG), which translated priorities and outcomes set by the Members through the Strategic Commissioning Board (SCB). SCB provided overall leadership, via a range of delivery specifications or 'commissions' using specialist expertise from across the council and its partners. Recently, SBC has been re-titled as the Council Management Team (CMT) and the Commissioning Group has been disbanded in favour of Directorates, to reflect the fact that in some areas, strategic management has and will continue to be an LBB function, along with the provision of operational direction to relevant partners.

Furthermore, in the case of capital works delivery, it has become clear that to have this function managed by a commercial partner has resulted in an overly complex commissioning model and over-reliance on client-side oversight, for which the LBB Estates function has been ill-equipped to cope with. A recent study by PWC also concluded that the existing delivery model presented other governance challenges that could easily be overcome were the function to be in-house.

One of the new Directorates is Growth and Corporate Services, which includes Growth and Regeneration. The Assistant Director – Estates reports into the Director of Growth and Regeneration so it is a logical step for a new capital works delivery model to be created that also reports into the same individual, via a new Assistant Director – Capital Works Delivery appointment.

The post holder will operate in a matrix management environment as this role has wide ranging responsibilities across the council including: working with Strategic Directors to enable their service strategies, liaising closely with Regeneration and Housing colleagues to ensure consistent strategic alignment and reporting direct to CMT on large-scale strategic projects involving the corporate estate.

Responsibilities

The role is accountable and responsible for directly managing the delivery of all capital works across the council. In this respect, the post holder will provide operational direction to and line-management of a new team of portfolio and project managers.

The post holder will be a core member of the Capital Strategy Board and will chair Education, Operational and Development Delivery Boards, all of which will a Capital Works Delivery Board, chaired by the Director of Growth and Regeneration.

In addition, the post holder will be responsible for advising on all newly conceived capital works schemes that may be considered by Directorates, before they are commissioned. Responsibilities will also include ensuring that all proposed projects have clearly defined requirements, drafted by the relevant Portfolio Manager and that throughout the life of the projects, supporting business cases are produced and that projects are managed in accordance with the Barnet project management toolkit. Appendix A outlines the governance structure and the works management process to be followed.

The post holder is also responsible for approving or counter-signing all associated fee submissions contracts related to capital schemes. The role will also be chair of the Strategic Construction Partnership Board, which is responsible for managing the performance of the council's construction partner; Grahams Construction.

Key to this role is the ability to work collaboratively with a diverse range of stakeholders from both within and outside the Council to achieve effective integrated and best value outcomes for residents of Barnet.

The Assistant Director – Capital Works will:

- Be the Budget Manager for the delivery of high value capital construction schemes.
- Be the Project Sponsor and / or senior advisor for all LBB capital construction projects.
- Commission other special projects such as small-scale construction works, and manage the delivery of those projects.
- Plan works in accordance with the Strategic Asset Management Plan (SAMP) and ensure alignment with other associated strategies such as housing and regeneration.
- Provide leadership, and operational & tactical direction to the Capital Works Delivery Team, comprising:
 - Two portfolio managers – one for education schemes and the other for operational and housing schemes (other than Open Door Homes schemes).
 - Five project managers
 - One PMO support officer
- Ensure that the Capital Works Delivery Team adhere to Article 10 (Decision Making) of the constitution, which includes the procurement and land transaction rules.
- Be a core member of the Capital Strategy Board, ensuring and speaking to appropriate papers in a timely and accurate manner.
- Be an occasional council officer attendee at the Asset, Regeneration and Growth Committee (ARG), responsible for presenting capital works related

recommendations to Members that will have direct impact on the council's asset portfolio.

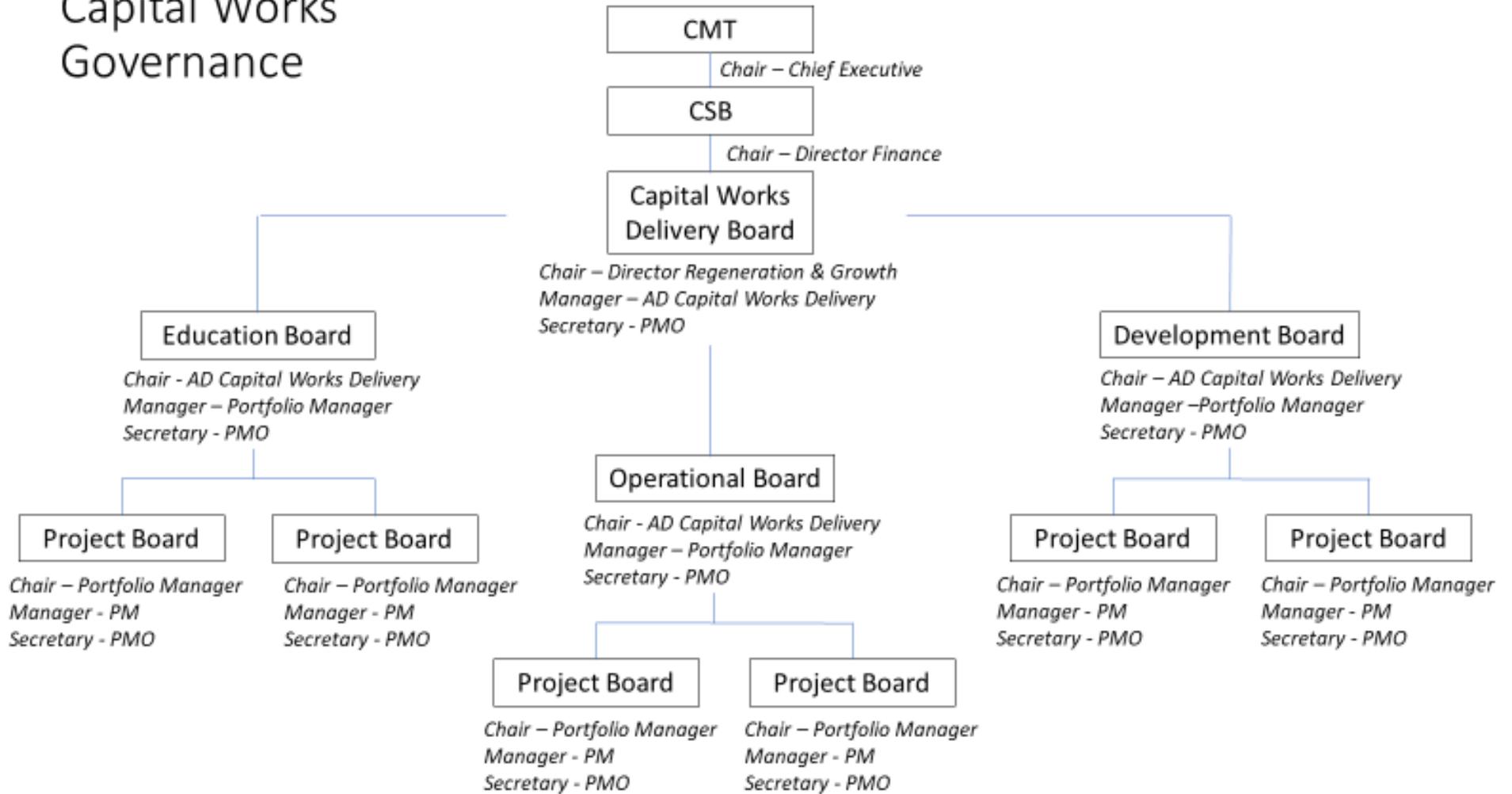
- Chair of the:
 - Education Capital Project Board – governing all education schemes, including schools' modernisation
 - Operational Capital Project Board – providing governance from minor refurbishments to large schemes such as new leisure centre construction.
 - Development Capital Project Board – governing LBB housing development schemes (other than Open Door Homes schemes) and providing oversight of schemes delivered under joint ventures / development agreements etc.
 - Strategic Construction Partnership Board – providing overall governance of the Grahams
- Use commercial acumen to commission capital projects in alignment with Article 10 of the council's Constitution.
- Undertake strategic contract reviews, contract re-alignment and ad-hoc contract changes, as required.
- Identify, commission, and manage external consultancy such as mechanical & electrical engineers, valuation, building control and business case modelling.
- Be accountable for H&S on all capital schemes.
- Ensure continuous improvement and best practice in capital works delivery.
- Review, accept or reject capital works strategic partner recommendations.
- Work across all the units in the council, including Senior Officers and Members, external partners and any relevant partnership or enabling boards to ensure all aspects capital works operates successfully, including requirement definition and management.
- Be accountable for applying corporate policies in a way which makes the most efficient use of resources to support local needs.

Knowledge, Skills and Experience

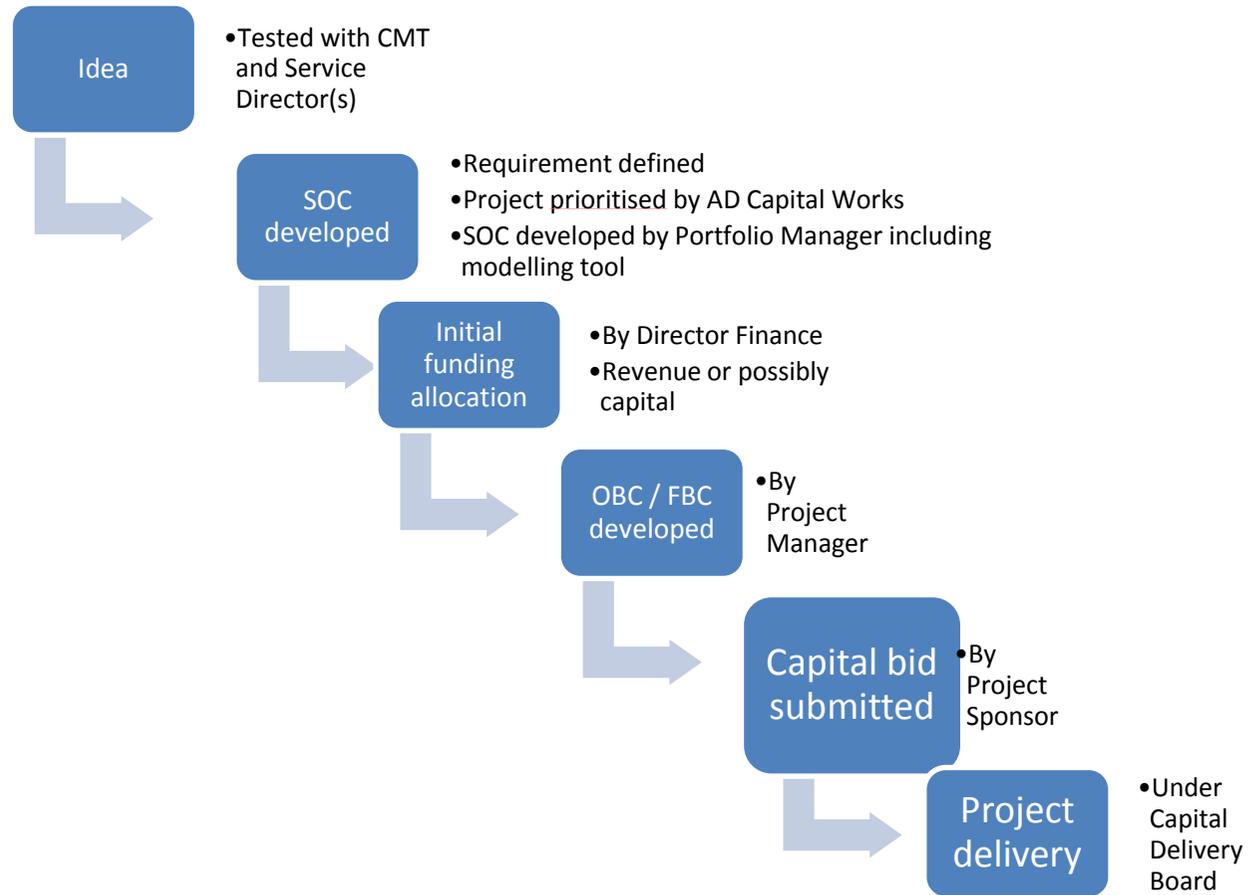
- Educated to degree level with strong preference for RICS or equivalent by experience.
- Experience of managing multiple capital works projects with a large and varied stakeholder base.
- Experience of working with senior managers to develop and implement projects and initiatives.
- An understanding of local authorities and the context in which they operate.
- Strong communication skills, including stakeholder management.
- Highly developed problem solving and analytical skills.
- Experience in business case development and a clear understanding of Discounted Cash Flow and Net Present Value.
- Able to make decisions at a strategic level.

- Experience of delivering efficiencies and savings in capital schemes.
- A confirmed track record of client or contract management of construction contractors that have achieved targets and performance standards.
- Strong stakeholder management skills.

Capital Works Governance



Capital Works Process



By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

AGENDA ITEM 15

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of the Local Government Act 1972.

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