



## Constitution and General Purpose Committee

7 October 2019

<b>Title</b>	<b>Proposal for the restructure of the Finance Service</b>
<b>Report of</b>	Anisa Darr, Director of Finance
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	Appendix A – Proposed Finance Structure Appendix B – Consultation Closing Document Appendix C – Equalities Impact Assessment
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## Summary

This report seeks approval to implement a new structure for the Council's finance service. Following the 11th December 2018 decision by the Policy and Resources Committee to authorise the insourcing of the finance function from Capita, a new structure has been finalised following a consultation period with staff and trade unions from 20 August 2019 to 19 September 2019.

## **Officers Recommendations**

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| <b>1. That the Constitution and General Purpose Committee approve the proposed changes to the Finance Service staffing structure as set out in Appendix A.</b>                               |
| <b>2. That the Constitution and General Purpose Committee authorise the deletion and creation of the posts as set out in Appendix B.</b>   |
| <b>3. That the Constitution and General Purpose Committee authorise the Director of Finance to appoint to posts, including an additional Assistant Director, within the final structure.</b> |

### **1. WHY THIS REPORT IS NEEDED**

- 1.1.1 This report seeks approval to implement a new structure for the Council's finance service. Following the 11th December 2018 decision by the Policy and Resources Committee to authorise the insourcing of the finance function from Capita, a new structure has been finalised following a consultation period with staff and trade unions from 20 August 2019 to 19 September 2019.
- 1.1.2 Insourcing of the service necessitated a restructure to ensure that the service was aligned with the needs of the council and can provide an improved quality of service. The proposed structure aims to enable the finance service to support staff development and career trajectory, whilst improving service quality, protecting the Council's financial position, and achieving the service's vision "to drive impact and create a better Barnet through innovative financial leadership".
- 1.1.3 As this restructure is part of a service improvement and not a savings proposal, the final proposals will result in a net increase of 12 posts, including one Assistant Director post. A detailed breakdown of the new posts can be found in the consultation closing document (Appendix B).
- 1.1.4 These proposed changes attempt to achieve improved service outcomes through the addition of new posts; creation of a new team; and realignment of the structure to provide high quality support to service areas. This includes the addition of an Assistant Director role to provide greater strategic oversight of the Finance Service as well as better aligned roles and responsibilities.

### **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The purpose of the finance service transformation is to ensure that it remains fit-for-purpose, including a redesign of the people, process and tech elements of the operating model. The proposed changes to posts attempts to resolve legacy issues and concerns with the current structure. These concerns are grounded in the fact that the service inherited was designed to fit within Capita's organisational structure and not suited to operate within the Council's context.
- 2.2 Key customers indicated that there was a lack of strategic support offered by the finance service that would support them in making better financial decisions for their service, as well as more rudimentary issues related to accuracy and timeliness of financial reports; finance staff also commented on their inability to offer this strategic support to services

and a lack of capacity to provide accurate and timely information, particularly in the context of poor processes and systems. The proposed changes are intended to address these issues and concerns through the:

- Increase of professional skills in the overall skills mix to support delivery of more strategic financial services;
- Introduction of professional qualification requirements at appropriate staff levels;
- Standardisation of job descriptions across similar roles;
- Addition of posts to assist with the even distribution of work effort;
- Facilitation of a more agile workforce by making job descriptions more generic, which will facilitate movement between work areas, career progression and mitigate key personnel risk.

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 The alternative option is to not implement the new structure and either keep the current structure or consult on a new structure. Neither of these options is recommended as the current structure does not align with the needs of the council and requires change to effectively function as one service following the insourcing.

### **4. POST DECISION IMPLEMENTATION**

- 4.1 Upon approval of the recommendations, the following actions will be taken to implement the new structure:

<b>Activity</b>	<b>Purpose</b>	<b>Timetable</b>
<b>Constitution and General Purposes Committee</b>	Committee approval to implement the proposed structure will be obtained.	7th October 2019
<b>Role matching, interviews and selection</b>	Following committee sign-off, people will be matched to roles, and if/where applicable, interviews will be conducted.	Mid-October 2019
<b>External recruitment (where required)</b>	For any remaining vacancies, external recruitment for vacant roles will commence. This will be after internal staff have had an opportunity to compete on vacancies.	Late October 2019
<b>New structure in place</b>	Timelines for full structure implementation will be contingent on how quickly vacant posts are filled.	December 2019 onwards

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 The proposed structure changes aim to support each of the corporate priorities set out in Barnet 2024 through the effective and efficient management of our finances and contracts, as well as maximising opportunities to increase income generation and using evolving technology. Specifically, the finance service plays a key role in supporting the council's financial sustainability, with the proposed changes better supporting delivery of council-wide savings and commitment to innovation.
- 5.1.2 Implementation of the proposed structure will also progress the transformation of the Corporate Centre, with the finance service being a key element of this programme.
- 5.1.3 In line with the senior management restructure, the principles of ensuring clear accountability and appropriate spans of control have been adopted. The proposed structure embeds these principles, with clear lines of responsibility and management supporting an effective service and development of staff.

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

- 5.2.1 **Finance and Value for Money:** As this proposal is focused on service improvement, there are no savings attached to the proposed structure. In 2019/20, the proposed structure will be within the budget envelope. However, in 2020/21 there is expected to be a cost pressure of circa £300,000. This budget pressure is predominantly borne from an increase in posts, overall approximately 12 FTE.
- 5.2.2 The budget pressure has been mitigated down to £300,000 by a number of self-funded or partially funded posts included in the structure. The funding for these self-financing posts will be through income generation or the appropriate charging out of time (such as the Pension Manager being charged to the pension fund).
- 5.2.3 This is in line with the implementation of one of our key strategic objectives, which includes leading a commercial agenda through intrapreneurship, innovation and continuous improvement.
- 5.2.4 As there are adequate posts for all staff members, no redundancy costs are anticipated.
- 5.2.5 The additional cost of the service will be funded from an allocation from contingency.
- 5.2.6 **Procurement:** There are no implications at this time.
- 5.2.7 **Staffing:** The staff impacts are laid out in this report, as well as in Appendix A, B and C.
- 5.2.8 **Property:** There are no implications at this time.
- 5.2.9 **IT:** There are no implications at this time.
- 5.2.10 **Sustainability:** There are no implications at this time.

### **5.3 Social Value**

5.3.1 Not applicable in the context of this report.

### **5.4 Legal and Constitutional References**

5.4.1 In accordance with the Council's Constitution, Article 7- the Constitution and General Purposes terms of reference includes responsibility for staffing matters (i.e. salaries and conditions of service) 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 post 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.

5.4.3 The consultation process with staff is required in line with the Council's obligations under Information and Consultation of Employees (ICE) Regulations.

5.4.4 The restructure has been carried out in accordance with the Council's Managing Organisational Change policy. Consultation with Trade Unions and collective and individual staff consultation has concluded. The new structure can now be implemented subject to the approval of this Committee in accordance with the Managing Change Policy.

5.4.5 According to the Scheme of Delegation the Director of Finance can authorise the payment of redundancy payments in line with the Managing Change Policy below £100,000. The Constitution and General Purposes Committee approves severance packages above £100,000.

### **5.5 Risk Management**

5.5.1 The most significant risks are being managed by the project team and the finance leadership team. These are summarised below.

<b>Risk</b>	<b>Mitigation</b>
<b>Restructures can create uncertainty, destabilise the organisation and distract from key prioritise or cause staff to leave the council</b>	Work closely with HR and Trade Unions Ensure regular communication and engagement with staff Ensure management are available to support change
<b>As functions are realigned to new areas there is a capacity and workload risk as new functions are incorporated</b>	Planning around capacity and workloads will take place as part of the implementation for the new structure. Sufficient senior management capacity will be available to support the team and ensure workloads are manageable.

Risk	Mitigation
<b>The increase in posts may result in an increased vacancy rate in the short term</b>	<p>Launch a recruitment campaign following any internal promotions to recruit to key posts.</p> <p>Prioritise the recruitment of key roles first.</p>

## 5.6 Equalities and Diversity

- 5.6.1 The 2010 Equalities Act outlines the provisions of the Public Sector Equality Duty which requires Public Bodies to have due regard for:
- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 5.6.2 The purpose of this duty is to integrate considerations of equality into day business and keep them under review in decision making, the design of policies and the delivery of service.
- 5.6.3 The proposed changes have been assessed in an Equalities Impact Assessment (Appendix C) to understand the impact on the protected characteristics outlined in the 2010 Equalities Act.

## 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 In line with the council's Managing Organisational Change policy, a 30 day formal consultation period was launched on 20 August 2019 and lasted until 19 September 2019. At the consultation launch a Trade Union representative was present to offer support to any staff who may be impacted.
- 5.8.2 The proposed structure was also shared with key customers, and their feedback has been considered as part of this process.
- 5.8.3 Staff were encouraged to comment and put forward ideas to improve proposals and provide alternative proposals. In addition to the mechanisms outlined below, weekly team huddles with the leadership team were frequently used to further engage staff and encourage them to provide comment or improvements. We started off with a number of structure options developed by team members in individual team workshops. Through a series of workshops this was developed into the structure proposed and consulted on.

Response Method	Details
<b>E-mail</b>	Comments and suggestions could be emailed to <a href="mailto:Finance.Transformation@barnet.gov.uk">Finance.Transformation@barnet.gov.uk</a> .
<b>Drop-in sessions</b>	<p>There were four open drop-in sessions throughout the consultation period where staff were invited to discuss the proposals with the leadership team. The dates were 4 September (15:00-16:00); 11 September (14:00-15:00); 16 September (15:00-16:00); and 18 September (11:00-12:00).</p> <p>A schedule of dates of all the drop-in sessions were circulated to staff with the consultation document, and a copy of the schedule was posted in the work area.</p>
<b>One-to-one meetings</b>	Every staff member was given the opportunity to book one-to-one meetings with the leadership team to discuss the proposals.
<b>Anonymous Form</b>	An anonymous, online form was made available for staff to share their comments and suggestions.
<b>Frequently Asked Questions</b>	All questions asked through the anonymous form, via email, or in-person was collected and responded to (where this was not personal) in the form of a FAQ document (excluding personal individual questions which were responded to directly) so that all have had the benefit of any additional information.

- 5.8.4 During consultation, the Director of Finance, Deputy Director and Assistant Director made 64 1:1 sessions available for staff to attend as well as four drop-in sessions. Of these 1:1s, 34 staff fed back on the proposed structure (78%), with further nine emailing feedback and nine using the anonymous online survey. In response to the feedback, FAQs were sent out on a regular basis, with 37 questions addressed.
- 5.8.5 During the consultation, the finance leadership team and projects team met weekly with representatives from Trade Unions to keep them updated on any feedback or issues that had been received.
- 5.8.6 A staff briefing will be held on the 20 September to present the findings of the consultation and highlight the themes that emerged from the feedback. The final proposal being recommended to Constitution and General Purpose Committee will be presented back to staff with any changes from the initial proposed structure highlighted.

## 5.8 Insight

- 5.8.1 Insight data is not applicable in the context of this report.

## 6. BACKGROUND PAPERS

- 6.1 [Policy and Resources Committee 11 December 2018](#) – Paper regarding the insourcing of the Finance and HR functions as part of the realignment of the Capita contract