

 <b>Brent</b>	<p style="text-align: center;"><b>Cabinet</b> 23 October 2017</p> <p style="text-align: center;"><b>Report from the Strategic Director Resources</b></p>
For Action	Wards Affected: ALL
<p><b>Reconfiguration of Resources Department Senior Management</b></p>	

## 1.0 Purpose of the Report

- 1.1. This report sets out proposals to further refine the Resources Department senior management structure to create the leadership capacity to deliver priorities and to further align responsibilities in order to improve productivity and efficiency. As the proposals entail the re-designation, deletion and creation of senior management posts, Cabinet's approval is required.

## 2.0 Recommendations

- 2.1 That Cabinet approves the deletion of the role of Director of Human Resources and Organisational Development for the reasons set out in the report.
- 2.2 That Cabinet approves the proposal to re-designate and then appoint to the Chief Legal Officer role at Hay 3 and notes the intention to move the oversight of the shared service for Procurement with Harrow as well as some aspects of the current HR function to within the remit of the re-designated Chief Legal Officer
- 2.3 That Cabinet approves the creation of a Director of Property and Assets role at Hay 3.
- 2.4 That Cabinet notes the proposal to bring the oversight of Civic Enterprise and some aspects of the current HR function within the remit of the Chief Finance Officer.
- 2.5 That Cabinet notes the proposal to move the Equalities function to Performance, Policy and Partnerships.
- 2.6 That Cabinet delegates the final decision-making on the proposals following consultation to the Chief Executive in consultation with the Leader and Deputy Leader.

### **3.0 Detail**

- 3.1 The Strategic Director of Resources post was created in January 2016 following a restructure of senior management by the chief executive. Her rationale for the creation of the role at the time was stated as:

*“The Strategic Director, Resources will be able to provide an overview of the Council’s resource and asset base, these being money, people, property and information technology and manage these to ensure that the priorities of the Council are appropriately resourced.”*

- 3.2 The role brought together all the Corporate Services and comprises: Finance, Legal, HR, Digital Services, Customer Services, Facilities Management, Property, and Civic Enterprise. (Procurement moved from Performance, Policy and Partnerships to Resources in April 2017).
- 3.3 It was always the intention that once in post the Strategic Director would review the operation of the department to ensure that, as per the rationale for the role, the priorities of the Council are appropriately resourced. The strategic director role has been in post for over a year now and in that time, there have been some key changes to service areas within the department that necessitate this management reconfiguration.
- 3.4 This report sets out proposals to further refine the Resources Department senior management structure to create the leadership capacity to deliver priorities and to further align responsibilities in order to improve productivity and efficiency.
- 3.5 The proposed changes affect five areas of the department – human resources; legal services; finance; civic enterprise and procurement. The main points for each area are noted below.

#### Human Resources

- 3.6 The Human Resources function in Brent is responsible for, either directly or through contract management, the workforce strategy, employment relations and advice, corporate learning and development, the workforce equality strategy, pensions and payroll administration, recruitment administration, employee benefits and the occupational health service. Functions such as leading transformation, staff engagement through internal communications and change management, which might in some organisations be led by HR, are led from the Performance, Policy and Partnerships department. This means the service is relatively small when compared to some other HR functions and the remit and span of control of the operational director is not as broad as other comparable operational directors in the Council. This is reflected in the budget in that HR has the smallest net budget in the department. Some years back, the service was led at Head of Service level.
- 3.7 In reviewing the resources department as a whole, the strategic director has considered three things: the need to ensure that all of the services are led at the right level; taking advantage of synergies where they exist to bring closely aligned services together and to avoid unnecessary growth in the number of chief officers in Brent.

- 3.8 There are some aspects of HR which align naturally with other services in resources. Employment relations, policy and advice is derived from employment law and is very much reliant on legal advice. Pensions and payroll administration align closely with finance who are already responsible for pension fund management and servicing the pensions sub-committee. Following this rationale, and the three considerations in 3.7, the strategic director proposes to move the operational director level oversight of the majority of the HR function to the Chief Legal Officer. It is also proposed to move the pensions and payroll administration to the Chief Finance Officer. It is proposed to delete the role of Director of Human Resources and Organisational development.

Subsequent proposals will confirm the structure for the management of the HR function under the Chief Legal Officer to ensure that the service retains the appropriate level of management by a technical specialist. These proposals will also address the detail of how the remaining HR function will be organised including the implications for other roles in the service affected by the restructure.

- 3.9 With the recent resignation of the Head of Equalities being announced in line with changes to the HR function, it is timely to reconsider the positioning of equalities activity in the Council. A significant proportion of the work is community facing and therefore there are natural synergies with the community engagement activity led from within Performance, Policy and Partnerships. As such, it is proposed as part of these changes to move the equalities function to the Partnerships and Strategy team where it will align far more closely.
- 3.10 This reorganisation is not intended to signal a devaluing of the role of HR in Brent as this remains critically important but instead to bring greater coherence to the responsibility of operational directors in the resources department. All HR functions will continue to be undertaken. In seeking to appoint a permanent Chief Legal Officer, attention will be paid to seeking an individual with the breadth of experience to oversee more than a pure legal function. It should also be noted that the strategic director comes from a professional HR background and as such is well able to contribute to overall strategic HR matters such as the workforce strategy.

### Legal Services

- 3.11 In legal services, when the previous operational director post was deleted, it was anticipated that a shared service model would bring the opportunity to access senior leadership capacity from another Council. Having explored the shared services option in depth, the strategic director has concluded that there is no benefit to be gained for Brent from pursuing this option in its fullest sense although we continue to use cross borough frameworks where these bring greater efficiency. A restructure of the legal service has reduced the senior capacity thereby requiring the head of the service to undertake a more strategic role and senior leadership across the service as well as being the Monitoring Officer. With the growth in our commercial, property and regeneration portfolios, and our renewed commitment to provide or commission legal support in-house, there is a requirement for the service to be led at the right level.
- 3.12 The previous head of service left in the autumn of 2016 and although we have secured a fixed term appointment, all indications from the market are that we will be unable to make a permanent appointment to the role, with the experience we require,

if the post remains at head of service level. A re-evaluation of the job description reflecting the current duties and responsibilities has confirmed the post as a Hay 3.

- 3.13 To add further weight to the re-designation of the role (although strictly speaking it is not necessary), and realise natural synergies, the proposal is to move the oversight of the shared divisional director of procurement to the Chief Legal Officer. Legal and procurement work very closely together and so this will enhance current arrangements. The Brent 2020 Procurement and Commissioning Board will continue in its current remit to ensure the target to drive greater value and savings from all procurement activity is achieved. As detailed earlier in this report, the re-designated role will also take oversight of the majority of the current HR function.
- 3.14 Subject to Cabinet approval and following the outcome of the consultation, the intention will be to move immediately to permanent recruitment to the post. It will be important to seek an individual with the appropriate breadth of experience of leading more than a pure legal function. In line with the new grade, this will be conducted by the Senior Staff Appointments sub-committee.

### Property Services

- 3.15 Property services has expanded considerably over the last year in line with our investment and property strategies. A number of self-development projects have secured investment and are moving into development phase e.g., London Road, Preston Road, Church End, Stonebridge, the Learie Constantine Centre and Knowles House; Bridge Park is progressing towards development; we have become a leading partner in One Public Estate and there is a significant programme of property acquisition to service Invest 4 Brent, the NAIL programme and the South Kilburn development. With housing management and development coming back into the Council, the property service will also absorb the housing self-development portfolio. These are all growth areas in the service which have occurred in the 18 months since the previous Operational Director post was deleted and like the legal service, now is the time to ensure the service has the appropriate capacity at senior strategic level to conduct its three functions of asset strategy and management; asset development and asset delivery cohesively. In addition to the growth areas listed, the property service also has responsibility for managing the Council's commercial lease arrangements; emergency planning and management; facilities and buildings management; civic centre capital development projects; health and safety and managing all property and land data.
- 3.16 It is therefore proposed that an Operational Director Property and Assets post is created in order to provide the senior strategic leadership needed to deliver Brent's property and wider ambitions.  
At this time, no other changes to the structure in the service are being proposed as these will be subject to the new role re-designing the service once they are in post. The budget for this growth will be met from within the overall Resources budget initially but a future change will identify the budget for the cost of this post as well as the identified savings required from property services. A proposed job description and person specification is included at Appendix One.

## Other Changes

- 3.17 More generally in the department, it is proposed that some services can be better aligned so that natural synergies are realised. The department is fundamentally different from others in the Council in that there are a range of specialist services of strategic and corporate reach. This means that it does not naturally mirror the two or three Operational Director structure of other strategic directors. However, it is time to move closer to the wider organisation design in restricting reports to the strategic director to Operational Directors (or their equivalent) only.
- The proposal is to restrict senior direct reports to five by moving the reporting line of the shared divisional director of procurement to the proposed Chief Legal Officer as detailed above and to move the head of civic enterprise to the oversight of the Chief Finance Officer. Now that the civic enterprise function is established and there is a Head of Finance commercial role, there is logic in moving the Head of Civic Enterprise post within the finance service. This move will not diminish its focus on innovation, income-generation and driving commerciality. As this is not a restructure and simply represents a change in line management, it is included for information purposes only.

### **4.0 Financial Implications**

- 4.1 The net cost of the proposed restructure is £42,000 and can be contained within the existing Resources budget envelope in 2018/19. This includes any associated one off redundancy costs, which have yet to be calculated. From 2019/20 a budget will be identified within the overall Property budget as part of a wider review of the budget that includes the delivery of required savings.

### **5.0 Legal Implications**

- 5.1 As these proposals envisage the deletion of Director of Human Resources and Organisational Development post and the redesignation of Chief Legal Officer post, then the Council is legally obliged to follow the consultation requirements set out in its "Managing Change Policy" (Policy); officers' individual employment contracts and provided for by employment law more generally. Accordingly, the proposals to delete these positions should be subject to a minimum of 15 calendar days' formal consultation under the Policy.
- 5.2 In addition, these officers' individual employment contracts are subject to JNC terms and conditions. That being the case, the officers are entitled to a longer period of consultation of 28 days and to be given an opportunity to make oral representations to the relevant committee before a final decision is made to dismiss by reason of redundancy. The individual officers however may elect to waive these additional entitlements.
- 5.3 Finally, careful regard will also be had to whether the proposed deletion of these two posts will tip the number of redundancies which the Council is proposing to make within a 90 day period to more than 20 redundancies. If it were to do so then there is a legal requirement contained in section 188 of Trade Union Labour Relations Consolidation Act 1992 to consult for a minimum of 30 days; or if 100 or more employees are being made redundant within 90 days, to consult for at least 45 days. It is understood that the statutory threshold of 20 redundancies within a 90 day period is not triggered by these proposals.

## **6.0 Equalities Implications**

6.1 An equalities impact assessment will be undertaken as part the process of implementation.

## **7.0 Staffing/Accommodation Implications**

7.1 The report proposes one additional post and one post deletion so there is no impact on accommodation. All other staff will remain in their current work locations, there is no impact on accommodation.

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