

WANDSWORTH BOROUGH COUNCIL

FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY
COMMITTEE – 25TH JUNE 2015

GENERAL PURPOSES COMMITTEE – 25TH JUNE 2015

EXECUTIVE – 29TH JUNE 2015

Report by the Chief Executive and Director of Administration on proposals to develop
a shared management structure with Richmond Council

SUMMARY

This paper sets out a proposed shared management structure with Richmond Council. This is the first step in establishing a single staffing structure for the two councils by 2017. The proposals in this report reflect an approximately 30% saving on the current cost of the management structures of the two authorities. They set out a proposed management structure for the top two tiers of the new organisation, across five proposed directorates. The paper also sets out recommended arrangements for the appointment of senior staff to this structure, the recommended pay and grading arrangements for appointees, and the redundancy arrangements for staff not appointed to the new structure. In addition to staffing recommendations, the paper also sets out broader proposals for how arrangements between the two authorities will work, including Heads of Terms for an Inter-Authority Agreement underpinning the entire Shared Staffing Arrangement, and specific proposals for the sharing of costs and savings between the two authorities.

The proposed Chief Officer staffing structure results in a Wandsworth saving of £1 million per annum, of which £890,000 would fall to the General Fund (equivalent to a Band D council tax reduction of £7.38). Wandsworth's share of resulting redundancy costs would range between £409,000 and a worst case scenario of £1.2 million, to be met from existing budgets where appropriate or the Service Transformation Reserve where General Fund budgets are insufficient to cover the costs.

GLOSSARY

AfC	-	Achieving for Children
CCG	-	Clinical Commissioning Group

DLO	-	Direct Labour Organisation
DPH	-	Director of Public Health
EIA	-	Equality Impact Assessment
FM	-	Facilities Management
FTE	-	Full Time Equivalent
GLA	-	Greater London Authority
HR	-	Human Resources
HRA	-	Housing Revenue Account
JAC	-	Joint Appointments Committee
JCU	-	Joint Commissioning Unit
LBR	-	London Borough of Richmond-upon-Thames
LBW	-	London Borough of Wandsworth
IAA	-	Inter-Authority Agreement
NCPRP		Non-consolidated performance related payment
PRP	-	Performance Related Pay
RSL	-	Registered Social Landlord
SSA	-	Shared Service Arrangement
TUPE	-	Transfer of Undertakings (Protection of Employment) Regulations

RECOMMENDATIONS

1. The Finance and Corporate Resources Overview and Scrutiny Committee are recommended to support the recommendations to the Executive in paragraph 3. If they approve any views, comments or additional recommendations in this report, these will be submitted to the Executive and/or the General Purposes Committee for consideration.
2. The Executive is recommended to recommend to the Council to -
 - (a) note the findings of the public consultation set out at paragraphs 5-8 and Appendix 1;
 - (b) approve the 'Heads of Terms' for an Inter-Authority Agreement as described at paragraphs 9-10 and set out at Appendix 2, to delegate to the CEDA in consultation with the Borough Solicitor & Assistant Director of Administration authority to make any necessary final amendments, and to approve the arrangements to procure specialist legal advice jointly with Richmond as set out in paragraph 64;
 - (c) approve the proposed approach to sharing of savings and costs with Richmond Council as set out at paragraph 11;
 - (d) note the proposed staffing structures set out in this report, which are for approval by the General Purposes Committee; and
 - (e) approve negative revenue budget variations of £890,000 in the General Fund and £64,000 in the HRA in 2017/18 and a full year.

3. The General Purposes Committee are recommended to-
- (a) approve the staffing structures set out in paragraphs 12-30 and Appendix 3;
 - (b) approve the deletion of the posts set out in Appendix 4, no earlier than 30th September 2016 and no later than 31st March 2017;
 - (c) approve the creation of the posts set out in Appendix 5;
 - (d) recommend the Council to approve the constitution of a Joint Appointments Committee as described in paragraph 31 and detailed in Appendix 6 and to approve the appointment of Councillors Govindia, Osborn and Senior as this Council's Members of the Committee;
 - (e) approve the joint employment (with Richmond) of Chief Officers appointed by the Joint Appointments Committee, as described in paragraphs 38-40 and set out in the Heads of Terms at Appendix 2;
 - (f) approve the proposed redundancy arrangements to be adopted by both Councils as set out in paragraphs 42-46 and Appendix 10, to come into effect one month after the publication of a statement of the amended policy; and
 - (g) approve the revised salary scales and grades for Hay Band officers as described in paragraphs 32-37 and set out in Appendix 7.

BACKGROUND

4. On 4th March 2015, the Council approved recommendations of the Executive and the General Purposes Committee in Paper 15-100 which set out the intention to develop a shared staffing arrangement with Richmond Council, with the vision that a single staffing structure would be created. The vision for the proposals is that a single staffing structure would be created across the two councils by 2017, delivering savings of up to £10 million per year for local tax payers in Wandsworth, and similar amounts in Richmond. Much work has taken place since then to identify opportunities for seeking efficiencies and reducing overheads throughout both organisations. This work has sought to draw on the best of both councils to focus on quality and continuing to raise standards for both Councils. The proposals set out in this report are an important first stage in a longer process of bringing together staff and resources across the two organisations.

CONSULTATION

5. Section 3(1) of the Local Government Act 1999 provides that the Council "must make arrangements to secure continuous improvement in the way in which its

functions are exercised, having regard to a combination of economy, efficiency and effectiveness". Section 3(2) of the Local Government Act 1999 provides that for the purpose of deciding how to fulfil the duty arising under subsection (1) an authority must consult specified stakeholder representatives including tax and ratepayers, service users and representatives of those interested in any area within which the authority carries out functions.

6. Richmond's residents had previously been asked for their views on joint working or sharing services with other public bodies or other Councils as a way to manage its budget during difficult financial times in the 2014 Annual Residents' Survey (carried out in September/October 2014). The majority (74%) agreed with this approach. Following the announcement in February of the intention to develop proposals to share staff, Wandsworth Council carried out consultation to gauge the opinions of these stakeholders on this intention. The consultation in Wandsworth was via an online survey, with a paper option, and ran from 25th February to 17th April 2015. A total of 348 responses was received. As well as being posted prominently on the Council's website, a link to the survey contact for obtaining a paper copy of the questionnaire was provided in the '24/7' e-newsletter and an article in the March edition of Brightside. This consultation is the first in a series the Council will be carrying out as the shared staffing arrangement evolves and more specific proposals are developed, including more specific targeting of the stakeholder representatives specified in Section 3(2). The Residents' Survey, which will be carried out in June-July 2015 will involve 1,800 interviews and will include a question about the proposal.
7. A summary of the February-April 2015 survey results is set out at Appendix 1 and details are available in full on request. Respondents were asked whether they agreed or disagreed with the principle that the Council should look at different ways of managing services in order to protect those services while saving money. Overwhelmingly, respondents agreed (86%) with this principle. The survey also asked whether they agreed or disagreed with the specific proposal of sharing a staffing structure with Richmond as a way of saving each Council up to £10m per year. There is clearly some uncertainty as a bare majority of respondents (50.1%) agreed with this proposal and 20% neither agreed nor disagreed or didn't know. However, just 5% of respondents disagreed with both the principle of looking at different ways of managing services and the specific proposal of sharing staff with Richmond.
8. Respondents were also asked to share any comments they had, irrespective of whether they agreed or disagreed with the proposal. The comments received reflected concerns about loss of local control, the risk that the Council would become more remote from residents, or that it would lead to a dilution of Wandsworth excellence, as well as some doubt that the level of savings would be forthcoming. Every effort will be made to ensure that these concerns are taken into account and addressed as proposals for further sharing of staff are developed.

DEVELOPMENT OF AN AGREEMENT BETWEEN THE TWO COUNCILS

9. As noted in Paper No. 15-100, it is necessary for both Councils to formally document the key matters agreed between them in an Inter-Authority Agreement (IAA) to safeguard the integrity of each Council and ensure continuing legal compliance. The development of this Agreement is underway and some of the key elements are the subject of proposals in this report, such as the establishment of a Joint Appointments Committee (JAC), staffing arrangements and apportionment of costs and savings. 'Heads of Terms' for the Agreement to be developed are set out at Appendix 2, but the detailed drafting and finalisation of the IAA will be a longer task requiring specialist legal advice.
10. The completed IAA will then be subject to a further report to both Councils in the autumn, acknowledging that although it will formally document the "overarching" arrangements for the Agreement between the two councils, it is anticipated that it will also be necessary to create additional detailed and specific agreements in relation to relevant staff groups and services, and to seek appropriate professional advice in relation to these. It is therefore proposed to jointly and competitively procure longer term legal support and advice for both councils for the duration of the programme of work associated with establishing the Shared Staffing Arrangement.

SAVINGS AND COST SHARING PROTOCOL

11. A protocol for the sharing of costs and savings is included within the Heads of Terms set out at Appendix 2. It is proposed that in general terms, savings are calculated on a service-by-service basis, using the structures at the time of the review as the base cost for both Councils. Revised structures would then be costed and apportioned to the two boroughs on the same basis as the original base costs. Both councils already have existing programmes designed to produce future savings; accordingly, any savings achieved from these previously approved reviews, market testing exercises or staffing re-organisations would be 'top-sliced' from the difference between the two structures. It is proposed that redundancy costs are shared on the same basis as savings. Savings arising from procurement would be split pro-rata to spend.

PROPOSED MANAGEMENT STRUCTURE

12. Paper No. 15-100 set out an indicative five department structure as a starting point for the new arrangement. As noted previously, it reflects a logical grouping of services that is familiar in other local authorities. Also noted in the previous report, Richmond Council's former children's services department is now in a Community Interest Company known as Achieving for Children (AfC) and this is shown as a separate entity reporting to the Chief Executive. This paper now recommends that this five department structure is adopted and makes specific recommendations about the grouping of staff and services within these departments. Charts for each of the proposed departments are set out at

Appendix 3. Although these proposals will provide some clarity about the location of services within divisions, and the broad areas of responsibility for Assistant Directors, there will be areas of detail for specific services that will continue to be refined in the coming months and will be subject to further recommendations at a later date. It should also be noted that the proposed management structure is itself only a starting point for the Shared Staffing Arrangement and likely to change and evolve even in the short term.

TRANSITION TOWARDS THE NEW STRUCTURE

13. The management structure proposed in this report will be introduced in a phased way. There are three key milestones in the development of the shared staffing arrangement. The first of these is the appointment of Chief Officers to the new structure in July 2015 as set out in paragraph 31. After this, the process of detailed design work will begin – developing the proposals for how the new organisation will operate, how services can be aligned to secure efficiencies and the development of the staffing structure below Chief Officer level.
14. The second milestone is the retirement of Gillian Norton, Richmond's Chief Executive in September 2016, at which point, subject to the necessary council decisions, Paul Martin will become Chief Executive of both councils. At this point, much of the organisational design work must be in place in order to provide a clear and workable structure.
15. The transition work will continue from September 2016 focusing more on joint commissioning, service alignment and as appropriate integration. The majority of the new staffing structure should be implemented by the third milestone, the retirement in March 2017 of Mr. Chris Buss, Wandsworth's Director of Finance and Deputy Chief Executive. At that point, again subject to necessary decisions, Mr. Mark Maidment, Richmond's Director of Finance & Corporate Services, would become Director of Resources and Deputy Chief Executive of both Councils.
16. Clustering the implementation of the shared staffing structure around these key dates will provide clarity to both staff and Members. Phasing implementation in this way will ensure that the work to implement the SSA can be spread across the period at a pace which allows risks to be managed, given the scale of the change required. It will also ensure that a pipeline of savings and resulting benefits can be secured in advance of April 2017.
17. Not all staff who are not appointed to the new structure will be retained until 31st March 2017. This will depend on circumstances including available workload, service requirements during the transition period and the best interests of the councils. It is anticipated that in many cases staff will retire, find new employment or will be made redundant and leave the Councils' employment prior to April 2017.

18. The level of organisational change taking place will require significant input from both Councils' senior officers in designing the new structure and operational processes, hence early appointment of future Chief Officers is necessary. Those who are appointed to posts in the structure proposed in this paper will become Directors or Assistant Directors 'designate', which means they will have been appointed but will not yet have taken up the new post. As described above, it is expected that as far as possible the designate Chief Officers will take up new roles working across both Councils in 2016. There may be business needs which impact on this timeline for some roles and areas, which will be determined by the Chief Executives.
19. During the transition period, those who have been appointed to 'designate' roles will lead on planning for change including the structure of lower tiers in each directorate, prior to assuming full responsibilities of the new post. It is likely that during the transition, some staff who have not been appointed maybe asked, with their agreement, to take on varying roles which would allow the most effective use of their capacity and expertise to support transition to the new structure, for example a particular project related to the transition. Any change in role for a staff member would depend on the best interest of the Councils and fairness of process for the individual concerned. How this will be taken forward in specific areas will depend on service requirements and individual circumstances, but it is intended that clarity on transition roles should be provided as soon as possible after the appointments process is complete.
20. The proposals set out in this report relate primarily to the introduction of shared management structure, which is the first stage in implementation of a fully shared staffing structure. From Gillian Norton's retirement in September 2016, there will be a single senior management team leading the two Councils and it is intended that many key service areas will have joint management across the two councils. However, establishing fully integrated teams at every staffing level is a much bigger task and in most areas this level of integration will take until 2017 to implement. In some cases where there are particular challenges around for example IT systems, full integration at every level of the service may not be possible until after April 2017.

Chief Executive's Group

21. It is proposed that there will be two divisions reporting directly to the Chief Executive - Public Health and Policy & Communications. In Richmond, Public Health is currently the responsibility of the Director of Adult & Community Services. In Wandsworth, Public Health has been integrated with commissioning responsibility across the organisation, supported by the Director of Public Health (DPH) and a core team reporting to the Chief Executive and Director of Administration. Given the acknowledged dimensions of the Director of Education & Social Services role, it is proposed that the DPH should report directly to the Chief Executive. The proposed Policy & Communications Division will include both the Policy and Communications Division from Wandsworth and

a range of corporate functions from Richmond's Strategic Commissioning and Policy Division. In respect of legal services, it is proposed to jointly tender the areas of legal service that are currently (in Wandsworth) provided by Sharpe Pritchard, and to complete the necessary due diligence with a view to transferring Wandsworth's current in-house legal provision into the South London Legal Partnership. As a consequence, it is proposed to delete the Wandsworth post of Borough Solicitor and Assistant Director of Administration from 31st March 2017, or shortly afterwards if necessary to ensure a successful transition of both Legal and Democratic Services to the new arrangements, as well as supporting the Council's overall move to a shared staffing structure with Richmond Council. Further consideration will be given to the statutory post of Monitoring Officer under Section 5 of the Local Government and Housing Act 1989 and where the 'client' function for Legal Services should sit in the long term. It is proposed that Committee (Democratic) Services should also sit in the Policy & Communications Division.

Resources Directorate

22. The Finance Directorates in both Councils currently have many comparable responsibilities, as well as a few points of difference. In terms of the main points of difference, it is proposed that in future the proposed Resources Directorate will include HR (as is already the case in Richmond), and procurement (which currently sits in Corporate Policy and Strategy in Adult & Community Services in Richmond at the moment but in the Finance Department in Wandsworth). It is probable that Electoral Services would sit within the Corporate Services division.

Housing and Regeneration Directorate

23. Wandsworth has a very large housing landlord responsibility which was until recently a separate Housing Department, as well as a large scale regeneration programme. Taken together it is not viable to combine this with the universal services reflected in the environment and community services of both boroughs. Therefore it is proposed that there should be a Housing and Regeneration Department and an Environment and Community Services Department. Both of these Directorates will provide services that are especially shaped by local political choice and senior managers will have to therefore shape approaches that may reflect very different local circumstances.
24. It is proposed that Richmond's strategic housing responsibilities sit within the Housing & Regeneration Directorate under the Assistant Director for Strategy & Development. It is proposed that the property assets of both councils (from Environment in Richmond and Finance in Wandsworth) should be managed within this directorate so that property assets can be linked strategically to maximum effect in order to create opportunities for efficiency, growth and improvement. The Councils' role in Economic Development will also be led from this Directorate, by the Assistant Director for Economic Development. This

reflects the directorate's overall focus on regeneration and the important links between this service and the other divisions in the directorate.

Environment and Community Directorate

25. The proposed Environment and Community Department largely reflects the current scope of Richmond's current Environment Department, with the addition of arts and libraries. It is proposed that these services, which in Richmond have been managed in Finance and Corporate Services since the formation of Achieving for Children (see paragraph 26) are managed by the Assistant Director (Contracts and Leisure). It is proposed that Wandsworth's Registrars Services and Environmental Health Services, both currently in the Administration Department, should also be managed by the Assistant Director (Contracts and Leisure) within the Environment and Community Department. As with other service areas, it will be important to incorporate staff perspectives on this proposal, and if alternative options are identified, these will be considered. The Director of this Department would also be responsible for managing the relationship with Enable, Wandsworth's Leisure & Culture staff mutual.

Education and Social Services Directorate

26. The proposed structure reflects a combination of both Councils' adult social services. It also includes responsibility for Wandsworth education and children's services. Richmond Council's children's services are now delivered by a Community Interest Company, Achieving for Children (AfC.) This will continue under these proposals, and accordingly AfC is shown as a separate entity reporting to the Chief Executive. The proposed department will have relationships with both Wandsworth Clinical Commissioning Group (CCG) and Richmond CCG. The post of Head of Joint Commissioning Unit (JCU) (Wandsworth) will need to be a joint appointment with Wandsworth CCG, while the Director of the Joint Commissioning Collaborative (Richmond) will need to be a joint appointment with Richmond CCG. Although the proposed structure retains separate Joint Commissioning functions there will be immediate opportunities to work together, e.g. on Council-only commissioned services and on services where the two Councils and CCGs are working with common partners. Paper 15-190, also on the agenda for this meeting of the General Purposes Committee, makes further recommendations for the existing Wandsworth post of Head of Joint Commissioning Unit.

Reduction in cost of senior management achieved through this structure

27. It is proposed that the existing Hay band establishment for the Council be deleted, with the exception of the posts shown below. These latter five posts would be dedicated to Wandsworth only and are therefore excluded from the restructure although they will form part of the shared staffing arrangement's senior management team going forward:

- a) Assistant Director Children's Specialist Services [Post No. SD004]
 - b) Assistant Director Education & Performance Planning [Post No. E5003]
 - c) Assistant Director Prevention & Intervention [Post No. C0001]
 - d) Assistant Director Housing Management [Post No. HC100]
 - e) Assistant Director – Head of Joint Commissioning Unit [Post No. SD021JCU]
28. It is proposed that the posts set out in Appendix 4 be deleted by 31st March 2017. A new joint establishment, created through the new posts set out in Appendix 5 would supersede the current structure by 1st April 2017. However, reflecting the transitional arrangements described in paragraphs 13-20 it is expected that an interim structure will be established with a single Chief Executive from September 2016 and as far as practicable at that point, responsibilities will transfer to new post holders. New salaries would only take effect at the point when substantive duties are taken up, which in most cases will be in 2016. Any other changes in roles outside of these dates will be by mutual agreement between the boroughs and the employees concerned. Where this is the case appropriate arrangements will need to be made to ensure the new employees are appointed with the appropriate powers and delegations to carry out the role across both boroughs.
29. As part of the process, the current post holders of Assistant Director of Finance (Revenue Services) [Post No. F3100] and Assistant Director of Education and Social Services (Business Resources) [Post No. SD023] have indicated that they wish to take advantage of the Council's severance and early retirement arrangements. In both of these areas there are suitably qualified and experienced candidates within the ring fence, which will ensure that the shared staffing arrangements can operate effectively. As such, it is proposed that their requests be granted. Both post holders would be required to assist in the transition arrangements to the new staffing arrangements. The exact date of their leaving the Council's service will depend upon available workload but will be no later than 31st March 2017. In addition the separation of the Legal and Democratic Services functions (paragraph 21) means that the post of Borough Solicitor and Assistant Director of Administration can be deleted with effect from 31st March 2017, or shortly afterwards.
30. The present structures of the two Councils (excluding posts not affected by this restructure in Achieving for Children, Wandsworth Children's Services, the Wandsworth Leisure & Culture mutual and Wandsworth Housing Management) consist of a combined total of 38 posts at Chief Officer level. The proposed structure consists of 26 posts, plus the borough specific posts referred to above. These posts are all regarded as essential at this stage of development of the shared staffing arrangement. The proposals therefore reflect a net deletion of 12 posts across both Councils, of which two are vacant. The current cost to the two Councils of the existing management structure is £5.59 million. The cost of the revised structure would be £3.99 million, delivering a saving across the two councils of £1.6 million per annum.

APPOINTMENT OF STAFF TO THE NEW STRUCTURE

31. It is proposed to establish a Joint Appointments Committee to interview and make appointments at Chief Officer level which the Council will make jointly with Richmond Council. The proposed terms of reference and membership of the Joint Appointments Committee (JAC) is set out at Appendix 6. It is proposed that each Council will appoint three Members to the JAC. In accordance with proportionality requirements under the Local Government (Committees and Political Groups) Regulations 1990, as amended, the membership for Wandsworth is therefore split into 2 places for the Majority Group and 1 place for the Opposition Group. The political groups have been informed of the numbers of places allocated to them and the names of the Members notified to the Chief Executive and Director of Administration by the Groups for appointment to the Joint Committee are as follows:-

Conservative Group (2): Councillors Govindia and Senior

Labour Group (1): Councillor Osborn.

PAY AND GRADING FOR CHIEF OFFICER APPOINTEES

32. The Council's grading of senior officer roles was last reviewed in 2014 (Paper No. 14-529 to the General Purposes Committee). However, given the significant changes proposed as a result of the shared staffing arrangement with Richmond, it has been necessary to carry out another review. The proposed shared management structure with Richmond reflects further compression of senior management, a reduction in the number of staff at the Chief Officer level, and further losses of experience and capacity.
33. The new shared service arrangement will cover two entirely independent Councils with a joint population of c500,000 people, a combined annual revenue budget of £1.3 billion and a capital budget of £200 million. If the combined organization was a single local authority, it would be the largest local authority in London. Alongside this scale, roles in the new structure will also need to serve the differing needs of two councils with different strategies and policies, to serve Cabinet Members, Councillors and Committees of two Councils, and serve the differing needs of the people of both Richmond and Wandsworth.
34. The Hay Group were engaged to carry out a comprehensive review which involved evaluating the new roles proposed as part of the shared management structure. They were asked to compare Richmond & Wandsworth's reward practice against London Councils reward data, Hay's Industrial & Services and Hay Group London public sector and not for profit data. They were asked to develop proposals for the number of Chief Officer grades, the range of salaries appropriate for each grade, and the way in which staff would move through the salary range. As in the 2014 Wandsworth Chief Officer review, Hay

recommends that the Public Sector & Not for Profit review should be the “primary benchmark for the new shared service organization.”

35. Hay’s evaluation gave 3 options for both Councils to consider has taken into account the scale and complexity of roles within the new structure. Hay initially recommended an option with 4 grades, which included 2 Assistant Director grades. However, after discussion it has been decided to go forward with one of the other options, namely 3 grades, with 1 Assistant Director grade. In deciding on a 3 grade pay structure it is important to note the benefit in a relatively small Assistant Director group being on identical salary ranges (although variable points within that scale, depending on experience and service). This benefit includes the greater ease of changing assigned roles and responsibilities in the light of circumstances without the requirement for constant job re-evaluations. In the current context of change within local government, it is believed that the interests of Richmond and Wandsworth are best served by having a cohort of Assistant Directors who can be asked to fulfil any role that is commensurate with these broadly defined Chief Officer job profiles. This is highlighted by the significant reductions in Hay Band numbers in the period 2010 to 2015. Of course, progression within the range is dependent on performance and in the case of the Assistant Director role it might be expected that a postholder would take two decades to progress from the bottom to the top of the scale. This is also an important feature of the overall approach : that the councils wish to recruit and retain the best possible senior staff, and to reward them for performance and contribution over the long term. Both councils value stability, commitment and reward based on achievement over many years.
36. There are two main features of the option put forward:

i. Three salary grades:

Grade	Post	Pay Range
Hay 1	Chief Executive	£210,000 - £245,000
Hay 2	Directors	£140,000 - £175,000
Hay 3	Assistant Directors	£80,000 - £130,000

In addition to the above the Hay Group considers that the post of Director of Resources & Deputy Chief Executive requires an additional salary premium to reflect the deputising role. Hay therefore recommends an appropriate premium of up to 10%, reflecting the additional duties, responsibilities and commitment required. This is in line with the current position in respect of the existing Wandsworth Director of Finance & Deputy Chief Executive.

ii. Progression through the grades:

A scheme of non-consolidated performance related payment (NCPRP) is also proposed, similar to the existing scheme in Wandsworth, which in practice has been funded at 6% of the relevant salary bill. The level of NCPRP would be based on an assessment of individual performance in the context of overall organisational performance. Base salary [i.e. consolidated] progression within each band would be linked to this performance assessment such that progression for each individual is set at 1/3rd of their NCPRP. When an individual is at the top of the range, only the non-consolidated element would be paid. No individual would get a NCPRP unless they are meeting or exceeding their performance targets. The scheme would thus provide a mechanism to ensure that the public get value for money from their senior council staff where high performance delivery of both the shared service organisation and individuals is emphasised.

37. A comparison with existing pay and grading is set out in Appendix 7. If these proposals are approved, Chief Officers would be appointed within the relevant grade at a salary agreed by the Joint Appointments Committee, based on their skills, knowledge and experience, and subject to any pay protection arrangements which may be agreed by the General Purposes Committee as part of a set of harmonised terms and conditions currently being developed. Initially they would be appointed on their current terms and conditions (paragraph 41).

EMPLOYMENT OF STAFF APPOINTED TO THE NEW STRUCTURE

38. In the development of these proposals, it has been necessary to consider how the shared staffing arrangement would employ staff in order to establish a single workforce. A number of options have been considered (and further details of these together with a summary of the reasons for selection of the preferred option are set out at paragraphs 65-67). In order to achieve the short term objective of a single management structure working across both councils, for Chief Executive, Director and Assistant Director appointments it is proposed to adopt the solution of joint employment of Chief Officers by both Councils. In this situation, an employee is appointed by both Councils and a joint contract of employment is held between the employee and both Councils. The obligations of the joint employers will be set out in the IAA between the Councils to avoid uncertainty. TUPE will not apply to a joint employment arrangement as the employees remain employed by their original employing authority (as well as their new joint employing Council) and the original authority remains responsible for the services which they undertake.
39. Under this proposal, each Council remains an employer of all the jointly appointed Chief Officers in its own right and remains responsible for the executive functions of agreeing the overall structure and how staff are deployed. However, the non executive functions relating to terms and conditions, policies

and procedures and consultation with Trades Unions and staff can be discharged by a Joint Committee of both Councils. The proposed Joint Appointments Committee will operate within the context of this Joint Committee, the details of which (terms of reference, membership etc.) will need to be subject to a separate report in due course to the General Purposes Committee, for recommendation to both Councils.

40. Adopting this model does not preclude the continued consideration of other potential models as the shared staffing arrangement continues to develop. It is proposed that engagement with central Government on future models is also pursued. It should also be noted that both Councils have already taken the step of moving large numbers of staff into alternative delivery vehicles. In Richmond, the former Children's Services department is now in the Community Interest Company known as Achieving for Children, while Wandsworth's Leisure & Culture Division will shortly 'spin out' of the council as a staff mutual called Enable, which will be incorporated as a Company Limited by Guarantee and a Registered Charity. Both Councils will continue to explore alternative delivery vehicles where these would yield financial and / or service benefits.

TERMS AND CONDITIONS OF STAFF APPOINTED TO THE NEW STRUCTURE

41. Work is underway to develop a harmonised set of terms and conditions for staff across the shared management structure. It is likely that the harmonised set will be largely based on the recently adopted Wandsworth position and consultation along these lines has commenced with staff side and unions. A set of outline proposals is included at Appendix 8 in order to give staff the earliest possible indication of the Councils' intended starting point for consultation and negotiation with staff side and trade unions. However, full and formal consultation with staff, the Chief Officers Group, the Staff Side and recognised trade unions, will take place prior to proposals being brought to members for their consideration and decision. The main areas of difference from the recently adopted Wandsworth position are on pay protection and car allowances. It is therefore proposed that Chief Officers appointed to the new posts proposed in this paper, are appointed on their current terms and conditions, with an acknowledgement that these may change at a point further down the line in the development of the Shared Staffing Arrangement. During this interim period officers employed by each Council may be put at the disposal of the other council to carry out any of their functions and to progress joint working. Post-holders will not be employed at a new salary until they take up the substantial substantive duties of the role.

REDUNDANCY ARRANGEMENTS

42. The current severance arrangements for both Richmond and Wandsworth Councils have similarities but some key differences. Both schemes pay redundancy based on actual pay multiplied by the number weeks redundancy pay in accordance with age and years employed, which is then enhanced by a

further multiplier. In the case of Richmond this multiplier is fixed at 1.5. In the case of Wandsworth it is variable between 1 and 2 and is determined by a number of factors that affect the likelihood of re-employment and likely salary. Another key Wandsworth difference is that any costs of early payment of pension are deducted from the redundancy payment, subject to the statutory minimum redundancy payment being made. Finally, Wandsworth also applies a further discretion of up to 0.25 in special circumstances. Wandsworth's current severance arrangements for non-teaching staff are set out in Appendix 9.

43. While it would be possible for both Councils to continue with their current arrangements whilst the single staffing arrangement is being developed, there is logic and fairness in applying the same redundancy arrangements to both staff groups. During this period Appendix 9 would continue to apply to school based staff.
44. It is proposed that the model adopted should broadly mirror the current Richmond arrangements, as the fixed 1.5 multiplier makes calculation of staff entitlement easy and transparent. It is proposed to retain the small added discretionary element (0.25) which is a feature of the Wandsworth scheme, but that this should only be applied in exceptional circumstances and not in cases where a payment would exceed £100,000.
45. The proposed policy to be adopted by both Councils for all staff throughout the process is set out at Appendix 10. If these proposals are approved, then Wandsworth's Chief Officer Compensation & Remuneration Sub-Committee would no longer be required to meet to assess the discretionary elements of the severance scheme. If the Council decides on a change of policy, it must publish a statement of the amended policy and may not give effect to any policy change until one month after the date of publication. Accordingly, if approved by the General Purposes Committee, the revised scheme would be effective for all non-teaching staff to whom redundancy notices are issued after 26th July 2015.
46. The amounts payable under Appendices 9 and 10 are not to exceed the maximum permitted under The Teachers (Compensation for Redundancy and Premature Retirement) Regulations 2015 or The Local Government (Early Termination of Employment)(Discretionary Compensation) (England and Wales) Regulations 2006.

NEXT STEPS

47. If the proposals in this report are agreed by both Councils, it is intended to progress quickly to hold meetings of the Joint Appointment Committee, to appoint staff to the new structure. As noted in paragraph 19 above, it is envisaged that as soon as possible after this process is complete, it will be possible to give both 'designates' and those not appointed to the new structure clarity about their roles in the transition period.

48. The joint SSA Programme Board and Member Advisory Group are working to develop a framework for the next phase of work - designing integrated services and structures in the next tiers of the organisation. It is the intention that management and staff across both councils will be fully engaged in this process going forward. In preparation for this work, consideration is being given to the operational and organisational issues that are posed by the challenges of integrating sets of staff who work with different processes, systems, requirements and cultural contexts. The focus is on identifying the fundamental components, both formal and informal, for design of the new organisation. Part of the next stage of work will involve establishing a strong understanding of both organisations' existing culture and identifying the key aspects which the joint organisation should promote as it evolves.
49. The management structure set out in this report includes posts with numerous formal duties and functions, some of which are delineated as Proper Officer duties and others involve formal delegated powers. Proposals for formal decision on the allocation of these responsibilities to appropriate Chief Officers will be made in future reports at an appropriate time, when more specific proposals are brought forward about the location of specific functions and services.
50. Further recommendations will be made to both Councils in the Autumn on the adoption of an overarching IAA and in the case of Richmond, the appointment of the Head of Paid Service. Work will continue on developing proposals on arrangements for specific services and further recommendations will be made when these are appropriately developed.

EQUALITY IMPACT ASSESSMENT

51. As part of the planning for the shared services arrangement detailed in this report a staffing Equality Impact Assessment (EIA) has been carried out by the Head of HR to ascertain whether the changes proposed are not to the detriment of any group of staff who share a protected characteristic under the Equality Act 2010. The findings of this assessment are attached as Appendix 11. This EIA has found that the changes proposed in this report will not be to the detriment of any group of staff.

CONSULTATION

52. Consultation with Chief Officers has taken place on the proposed structure and job roles, including draft job descriptions. A total of 73 comments were received and these have been published on both Councils' intranet sites, together with the responses from the joint Programme Board. In addition to direct consultation with Chief Officers, all staff of both Councils were invited make comments or raise queries on the proposals, which they were able to submit via staff intranets, HR or their managers. 31 comments were submitted in this way. In

the interests of openness, the responses to these comments have also been made available to all staff in both councils. The comments covered a wide range of issues but primarily fell under three broad headings:

- (a) the transition phase and how it will work;
- (b) how the design of services and structures beneath the Chief Officer level would take place; and
- (c) specific questions about the location of services and functions within the new structure.

53. Many of the comments made related to the future design of the Shared Staffing Arrangement and it has therefore not always been possible to give absolute clarity in responses, but the feedback received will help to shape thinking about how the SSA evolves in the next phase. It is intended that staff and management across both councils should be fully engaged in the process of designing and shaping service models and structures going forward.

54. The Chief Officers Group and the Staff Side have been consulted on this report and any comments received from them will be reported to the Committee.

COMMENTS OF THE DIRECTOR OF FINANCE

55. The Director of Finance comments that the number of Chief Officer posts proposed to be deleted and created are shown in the table below. In line with the proposed savings protocol detailed in Appendix 2, this revised staffing structure will produce a total annual saving of £1.6 million of which £1 million (63%) will fall to Wandsworth:

	Wandsworth	Richmond	Total
Current posts	27	15	42
Posts to be deleted	-22	-14	-36
Posts to be created			24
Total			30
Current costs	£3,605,518	£1,986,500	£5,592,018
Cost of proposed structure	£2,592,483	£1,395,039	£3,987,523
Annual saving from 2017	£1,013,035	£591,461	£1,604,495

56. The £1 million Wandsworth saving is split as £890,000 to the General Fund (equivalent to a Band D council tax reduction of £7.38), £64,000 to the HRA and the remaining £59,000 to the Pension Fund and other accounts. Budget variations will therefore be required in the General Fund and HRA.

57. It is difficult at this point to fully quantify the likely cost of redundancies without pre-empting future appointments. However, based on the proposed adoption of the Richmond redundancy scheme for all affected staff, an initial estimate of total redundancy costs range between £649,000 and £1.85 million depending on which staff are made redundant. All redundancy costs would be split between the two boroughs in line with the savings protocol, meaning that Wandsworth's share of redundancy costs would be between £409,000 and £1.17 million. These costs would be met from existing approved budgets where possible or, for General Fund costs where there's insufficient existing budget, the Service Transformation Reserve. The changes to the Council wide redundancy arrangements will be met from within existing budgets.
58. Paper No. 15-100 agreed to set aside £1 million from the Service Transformation Reserve to fund costs incurred in the implementation of the Richmond proposals and the procurement of legal advice now being proposed will be funded from this budget.
59. Initial appointment of Chief Officers on to the proposed revised grades shown in paragraph 26 would be as agreed by members and movement up the grades will continue to be achieved through the consolidation of a third of PRP each year.
60. The Pension Fund arrangements under a joint employment model need careful planning and consideration. In terms of scale, the pensions liabilities are several £billion across both boroughs so any solution needs to make sure that both councils are comfortable with any arrangement that is devised. The employment model will affect the mechanisms necessary to manage these liabilities in both pension funds and work will continue to find an equitable solution, however both employment and pensions are inter-related and it is likely that the model for one affects the other.

COMMENTS OF THE HEAD OF HUMAN RESOURCES

61. The Head of Human Resources comments that the proposals in this paper would result in the following changes to the Council Senior Management establishment over a period of time up to April 2017. Specifically the deletion 22 FTE posts from the Wandsworth establishment and the creation of 24 FTE posts serving both Wandsworth and Richmond Councils. A full list of post changes can be found at Appendix 4 & 5.
62. The appropriate staff consultation and communication has taken place in accordance with the Council's Code of Practice on Managing Staffing reorganisations. The grades of all newly created or changed posts have been evaluated externally via Hay Group and are outlined in Appendix 6. Recruitment to the new posts would be ring-fenced as appropriate in the first instance to the holders of those posts identified for deletion. Any member of

staff who is not successful in securing a post following this process would be counselled in accordance with the Redundancy and Redeployment Agreement.

63. Any agreement to harmonise staff terms and conditions of service across both Council's will be subject to the appropriate consultation and negotiation as outlined at paragraph 41 above.

COMMENTS OF THE BOROUGH SOLICITOR AND ASSISTANT DIRECTOR OF ADMINISTRATION

64. As identified in Paper No. 15-100 it is necessary for the agreed details of the proposed shared staffing arrangements between Wandsworth and Richmond Councils to be formally documented. Proposed Heads of Terms are attached at Appendix 2 and it is anticipated that this document will lead to the completion of a detailed Inter-Authority Agreement in the autumn which will set out the final details of the agreement between the two councils. The main legal powers available to support the proposals are: Sections 111 (general subsidiary power) and 113 (secondment power) of the Local Government Act 1972; Section 3 (best value duty) of the Local Government Act 1999, and Section 1 (general power of competence) of the Localism Act 2011. It is proposed competitively jointly to procure specialist legal advisers to draft the agreement and to provide all necessary legal advice to both councils throughout the development of the shared staffing arrangements. In view of the urgency of the requirement, and the nature of the specialist legal advice required, it is recommended that the requirements of the Procurement Code of Practice are waived to permit the Director of Finance and Borough Solicitor jointly to determine a shortlist of firms and that the award be agreed under the S083A procedure. The Procurement Advisory Group (PAG) has been consulted and is supportive of the proposal.
65. A number of possible options are being considered to enable the establishment of a single workforce, benefitting from the same terms and conditions, subject to the same HR policies, reporting through a single line management structure, sharing a single culture and working / business practices and with all officers able to act for both Councils. These options include: a Joint Committee model; a wholly owned local authority company and the joint employment model. As noted in paragraph 38-40, to achieve the short term objective of a single management structure it is proposed to adopt the joint employment model, namely joint employment of staff by both Councils, achieved through consultation and agreement.
66. Legally there is no barrier to using the joint employment model and the potential advantages include: the potential for cost savings; shared control; flexibility; and no one council being seen to be "lead" council. Importantly, the joint employment model being utilised at this stage does not preclude continued consideration of other potential models as the shared staffing arrangements continue to develop.

67. There are a number of potential disadvantages with the model: no one employer exercises overall control; there is a risk of a lack of clarity in terms of reporting structures and who is responsible, for example, for internal processes such as discipline and grievances; and if an employee brought an Employment Tribunal claim and the councils are joint employers the claim would be brought against both employers. However, these will be addressed by the Inter-Authority Agreement between both councils, which will cover each council's obligations and powers and appropriate indemnities to avoid uncertainty. VAT implications will also be considered; one feature of the joint employment model is that, if operated correctly, no VAT is due on the payrolls costs split between the councils.

APPENDICES

For ease of reference, the appendixes to this report are as follows:-

1. Consultation Findings
2. Heads of Terms for Inter Authority Agreement
3. Proposed departmental structures
4. Posts to be deleted
5. Posts to be created
6. Terms of Reference for Appointments Committee
7. Comparison of existing and proposed grade bandings and salary
8. Initial proposals on Terms & Conditions
9. Current severance arrangements for non-teaching staff
10. Revised severance arrangements for non-school based staff
11. EIA

The Town Hall
Wandsworth
SW18 2PU

PAUL MARTIN
Chief Executive and
Director of Administration

17th June 2015

Background papers

No background papers were used in the preparation of this report.

All reports to Overview and Scrutiny Committees, regulatory and other committees, the Executive and the full Council can be viewed on the Council's website (www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001, in which case the Committee Secretary (Graham Collins – 020 8871 6021; email gcollins@wandsworth.gov.uk) can supply it if required.

**APPENDIX 1
to Paper No. 15-252**

Shared Staffing consultation in Wandsworth

Note: percentages may not always add to 100 due to rounding.

1. How much would you say you know about the Council's financial position? (348 responses)

24%	55%	22%
A lot	A little	Nothing

The claimed expertise in the Council's financial position is probably explained by a large response from staff or other public sector workers indicated in the open-ended responses below.

The Council's aim is to protect the services that residents rely on as far as possible. One way of doing this is to look at different ways of managing those services.

2. In principle, do you agree or disagree that the Council should look at different ways of managing services? (335)

40%	46%	7%	4%	2%	1%
Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know

Overall, there is overwhelming agreement with the principle.

The proposal for a shared staffing structure with Richmond Council could save each Council up to £10m a year.

3. Do you agree or disagree with this proposal? (333)

29%	22%	14%	17%	13%	6%
Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know

It is worth noting that just 5% of respondents disagree with the Principle and the Proposal.

Of those who agree with the principle, 58% also support the proposal but 30% are opposed. Within the latter, there is a fairly even split between those who disagree and disagree strongly.

It should be noted that men outnumber women amongst respondents (53% v 42%). Although skewed, weighting responses to reflect census gender balance (for 18+ ages) has only a marginal effect on results: looking at agreement with the proposed shared staffing structure, weighting reduces “agrees” from 54% to 53% while “disagrees” remain at 29%.

4. Concerns

244 people responded to the open-ended question with a range of concerns, many of which were shared by those who support and oppose the proposal. Comments may be summarised as covering concerns about:

- Staff loss, redundancy, demotivation, uncertainty
 - Service reductions (quantity and quality), losing out in terms of staff and provision to Richmond
 - Reduced Wandsworth control and accountability, increased costs and Council Tax, distancing councillors, staff and services from local people
 - Doubts about the real level of savings, how costs are shared
 - Unconvinced of the need for it, why not raise Council tax, why save when money is wasted on XYZ, why Richmond?
 - No concerns, welcome the move
-

**APPENDIX 2
to Paper No. 15-252**

Dated:

July 2015

HEADS OF TERMS

Between

(1) London Borough of Richmond upon Thames COUNCIL

and

(2) London Borough of Wandsworth COUNCIL

together called "the parties"

1. BACKGROUND AND CONTEXT

- 1.1. The London Borough of Richmond upon Thames (LBR) and the London Borough of Wandsworth (LBW) have agreed that they will develop a Shared Staffing Arrangement and these Heads of Terms describe the agreed areas on which they will work to take this forward.
- 1.2. These Heads of Terms are not intended to be legally binding but it is the intention of the parties to develop them into an Inter Authority Agreement.
- 1.3. The parties have agreed a vision for the Shared Staffing Arrangement, a set of aims and a set of general principles and values which underpin the work.

2. VISION, AIMS AND PRINCIPLES

- 2.1 The parties will work together to seek to achieve the Vision of the Shared Staffing Arrangement which is that the councils intend to identify and establish a joint staffing structure and working arrangements that will improve the quality of people's lives in the two councils and deliver greater value for money.
- 2.2 The parties will work together to deliver the Aims of the Shared Staffing Arrangement which are:
 - retained sovereignty by each Council;
 - a single workforce acting for both councils;
 - shared commissioning and procurement;
 - shared systems and processes;

- to secure significant savings for each Council;
- a commitment to service quality.

2.3. The parties recognise that the commitment to the Shared Staffing Arrangement is long term and that the development of shared services will take place in an incremental way through agreement by each of the authorities

3. SOVEREIGNTY

3.1. The Councils will adopt a Sovereignty Guarantee that clearly describes how local autonomy and identity will be safeguarded. The key points of such a guarantee are:

- Each Council will continue to set its own council tax and publish its own budget and accounts.
- Local residents will continue to elect their own councillors to each Council.
- Each Council will retain its own constitution, setting out how it makes decisions, organises scrutiny and delegates authority.
- The boundaries of the areas for which each Council is responsible will not change.
- Each Council will continue to develop its own role for community leadership.
- Each Council will continue to speak up for its own residents, even if there was to be an apparent conflict of interest between the Councils.
- There will be no change in the name of the Councils.
- Nothing in these proposals is intended to stop each Council developing local ideas about how to support its local communities.
- Each Council will continue to set its own spending priorities, policies and service standards.
- Neither Council can be required by the terms of the Shared Staffing Arrangement to adopt a policy, accept a cost or change a priority that its decision makers are not willing to support.
- Neither Council will be obliged to break an existing contract.
- The costs of changes and the benefits achieved from change will be fairly attributed and shared to the satisfaction of both Councils; if necessary using mediation.
- The Councils will keep each other informed of any discussions with other councils relating to shared services or shared staffing arrangements and will work together to maximize the benefits of these.
- The Councils will expect to keep these arrangements under review, in order to ensure they remain fit for purpose.
- Any of the arrangements that constitute an agreement between the Councils can be ended on notice.

4. COST OF SHARED SERVICES

- 4.1. The parties will work together to develop an agreed basis for cost sharing for staffing and service delivery, as well as for apportioning savings.
- 4.2. In general terms, savings will be calculated on a service by service basis, using the structures at the time of the review as the base cost for both boroughs.
- 4.3. Revised structures would then be costed and apportioned to the two boroughs on the same basis as the original base costs. Any savings already achieved from previously approved reviews, market testing exercises or staffing re-organisations will be 'top-sliced' from the difference between the two structures.
- 4.4. Redundancy costs will be shared on the same basis as savings. Savings arising from procurement will be split pro-rata to spend.
- 4.5. Any costs involved in the consideration of or preparation for the Shared Staffing Arrangement will be shared equally between the two Councils, unless they are for the exclusive benefit of one council

5. GOVERNANCE

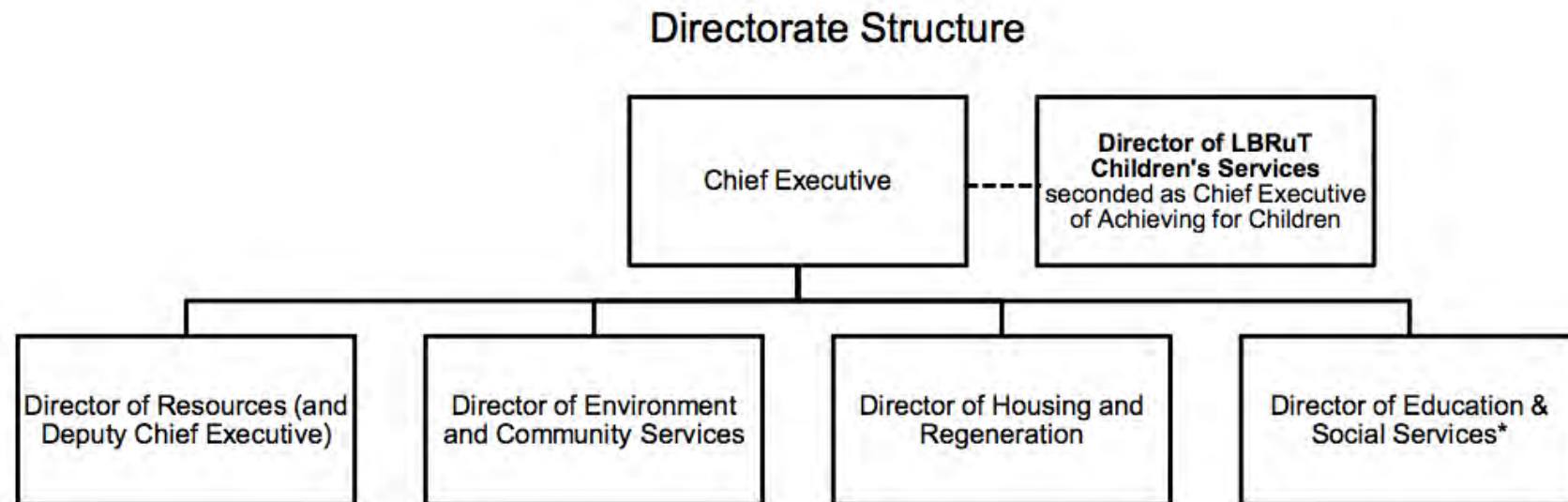
- 5.1. The parties have established an officer-led Shared Staffing Arrangement Programme Board. The purpose of the Programme Board is to provide direction and oversight for the shared staffing arrangement between the two councils and to ensure effective delivery of the arrangement. The Board will make recommendations to the Executives of both Councils.
- 5.2. The Board's work will also be overseen by an advisory group comprising leading members of both Councils, as well as the Chief Executives and Directors of Finance of both Councils.

6. TERM

- 6.1 These Heads of Terms will take effect from 8th July 2015.

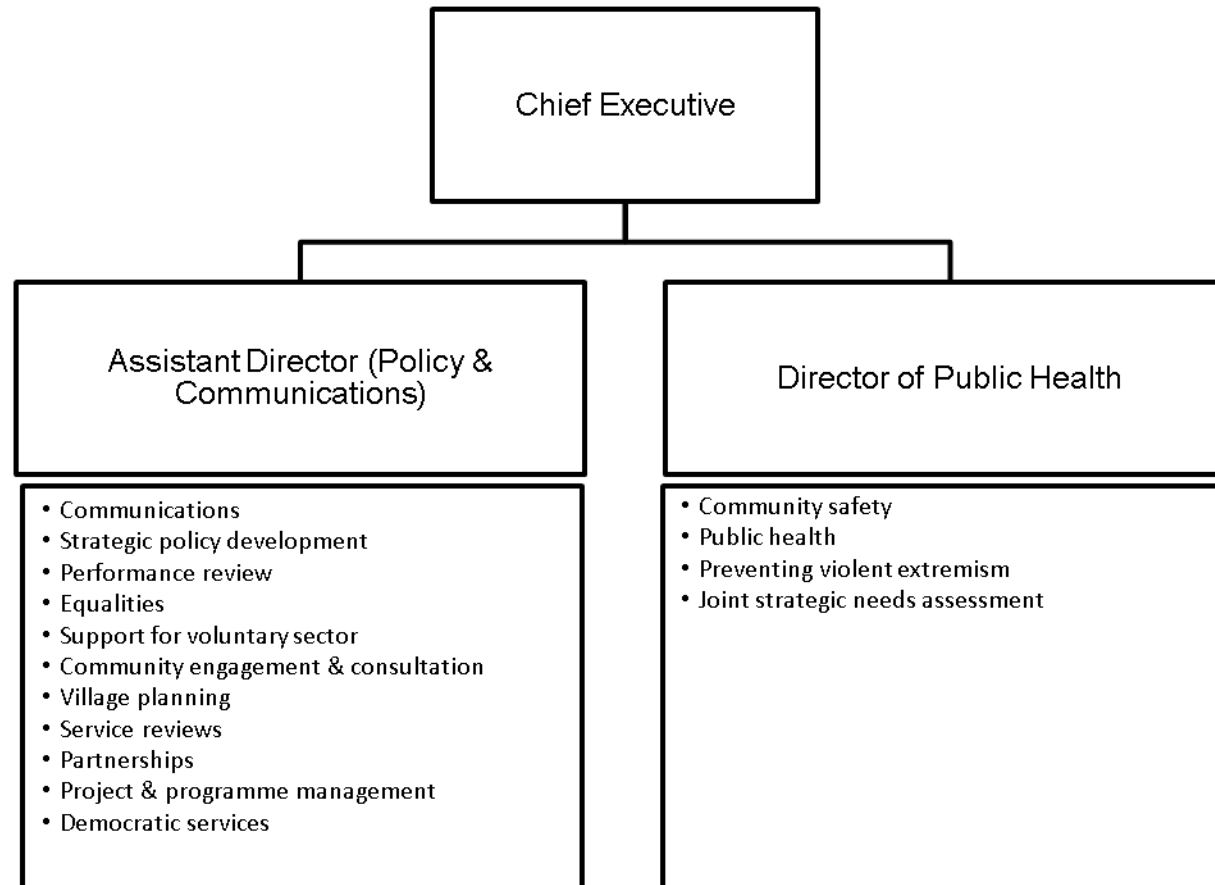
APPENDIX 3
to Paper No. 15-252

Departmental Structures

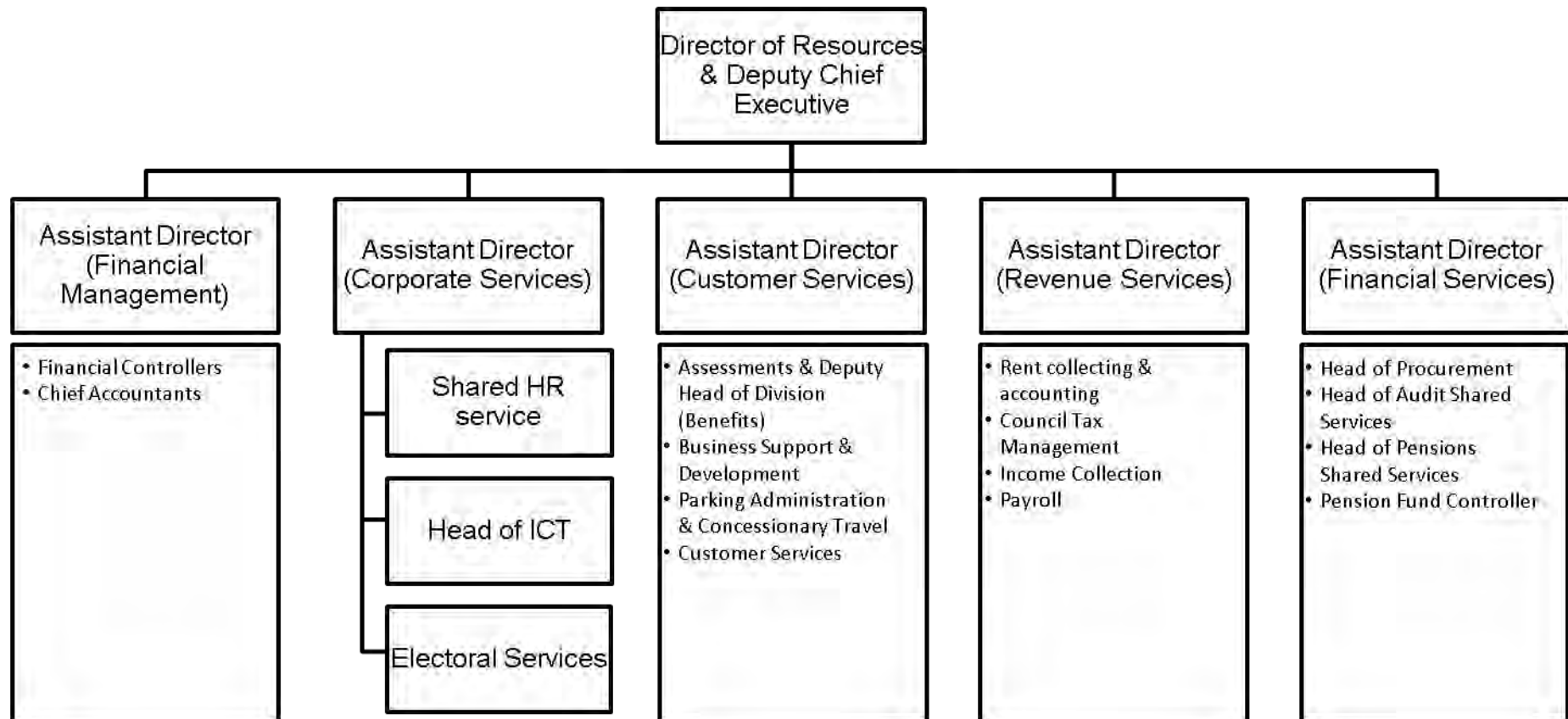


*Education and children services in Richmond are provided by Achieving for Children, a community interest company owned by Richmond & Kingston Councils.

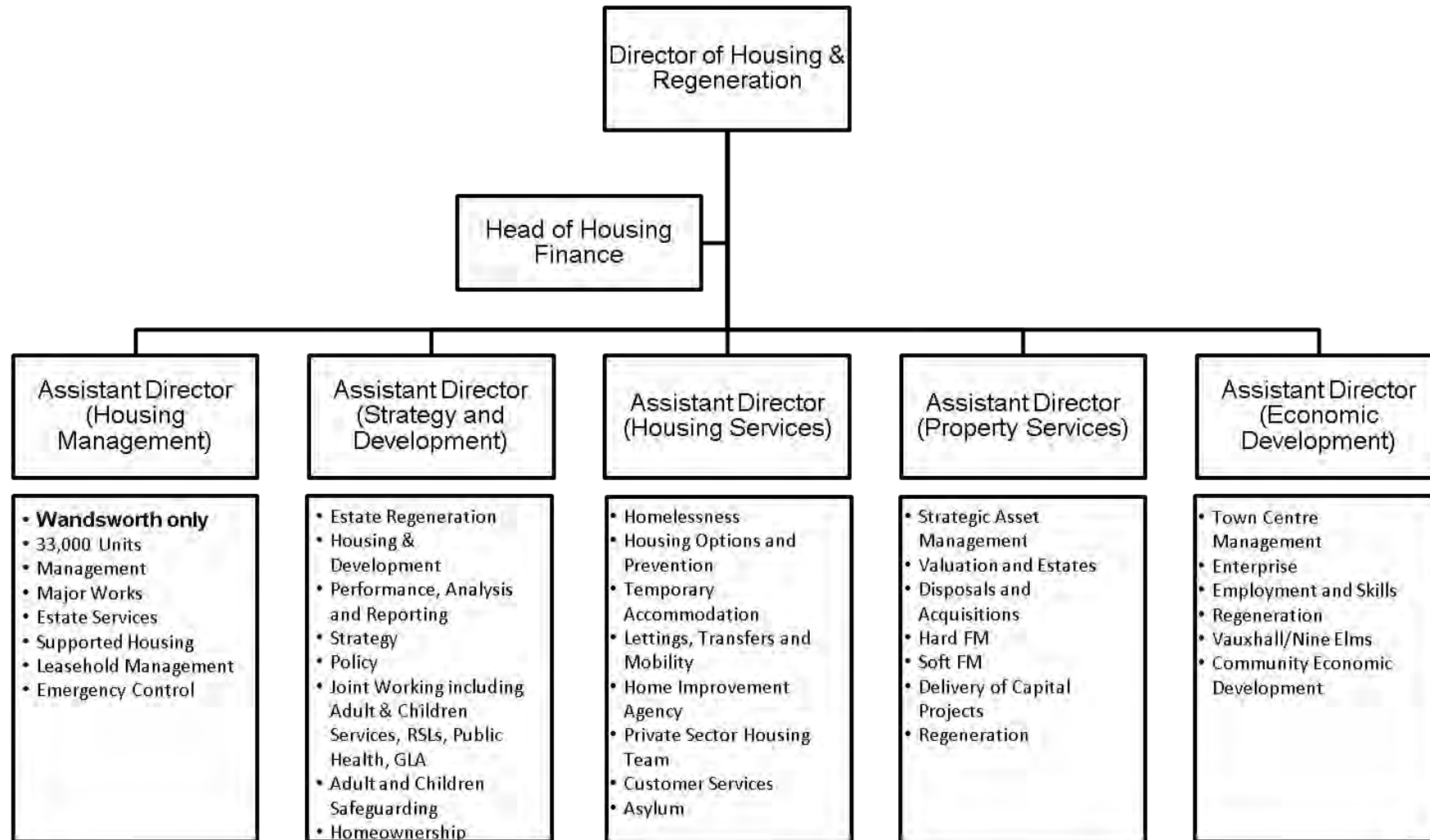
Chief Executive's Group



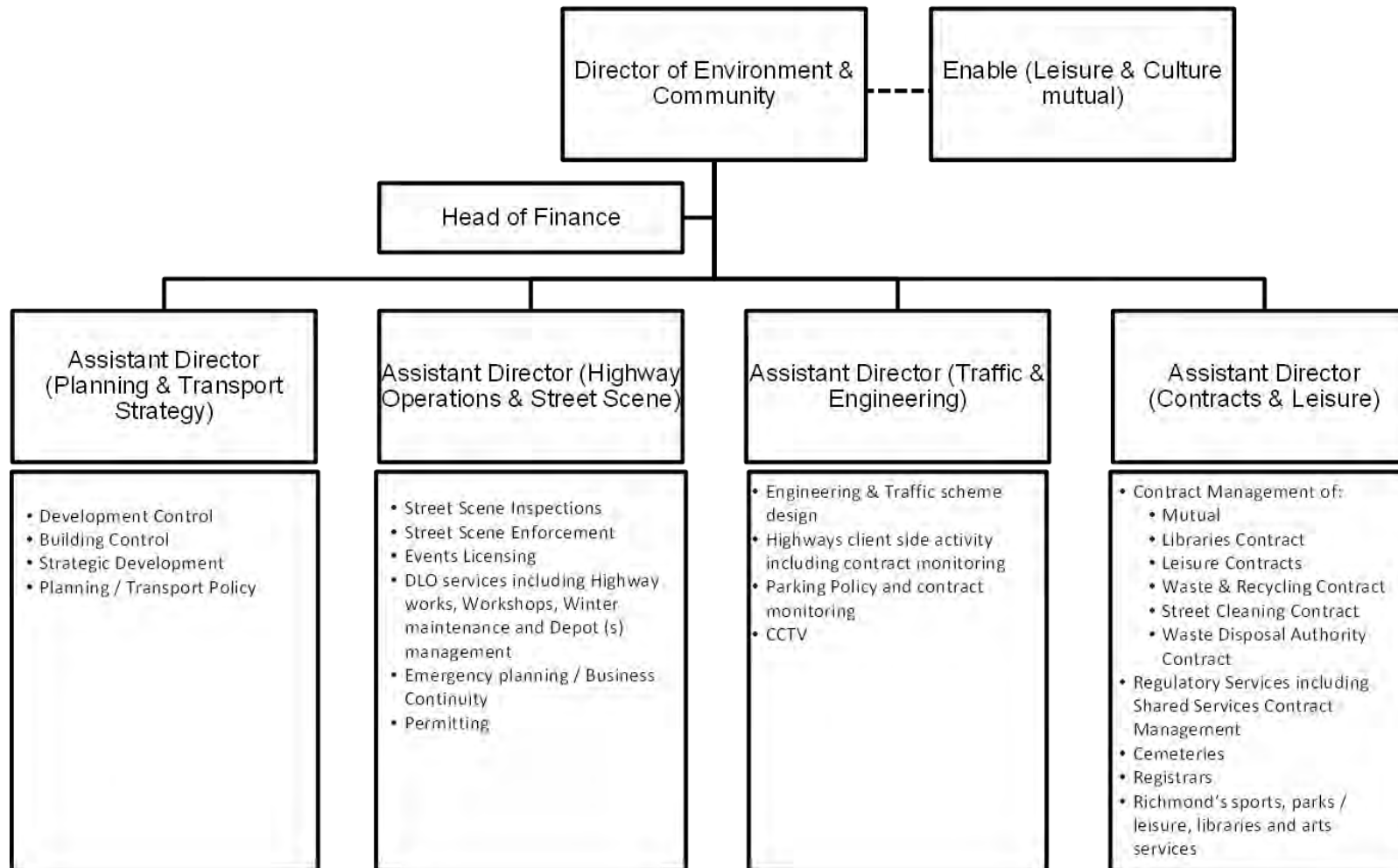
Resources Directorate



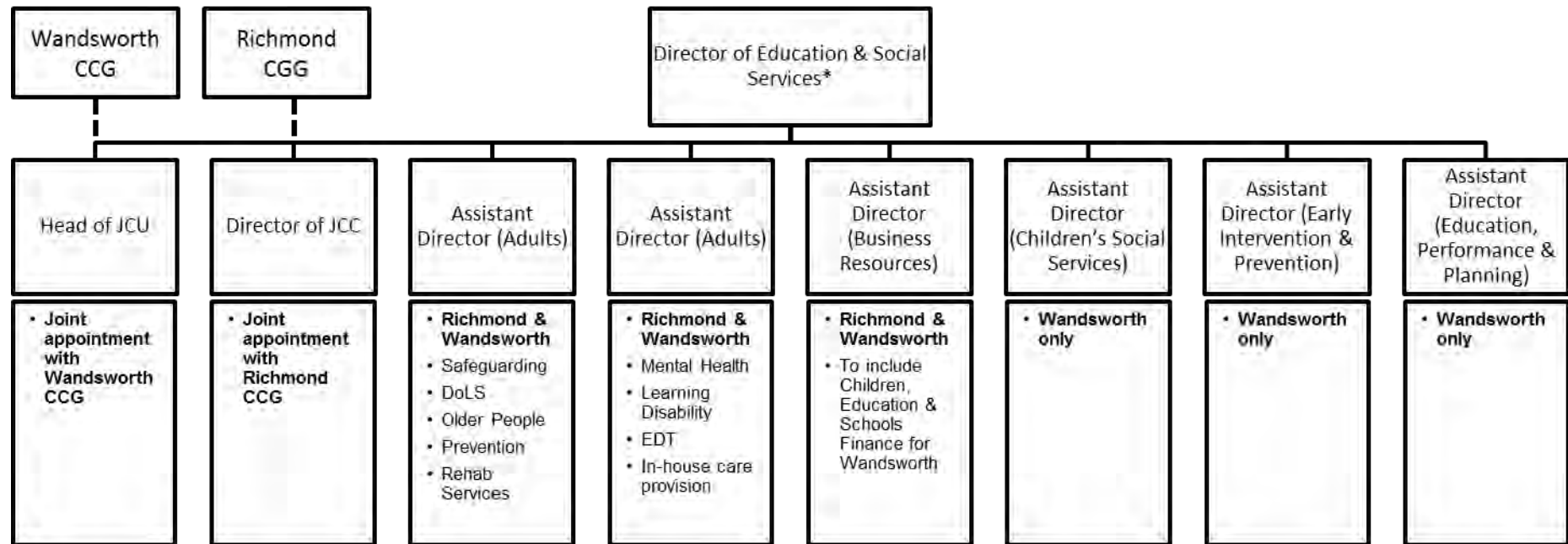
Housing & Regeneration Directorate



Environment & Community Directorate



Education & Social Services Directorate



*Education and children services in Richmond are provided by Achieving for Children, a community interest company owned by Richmond & Kingston Councils.

**APPENDIX 4
to Paper No. 15-252****Posts to be deleted**

Dept	Post	Post No.	Grade
Administration	Chief Executive & Director of Administration	A0102	Hay E
Administration	Borough Solicitor & Assistant Director of Admin.	A0201	Hay C
Administration	Director of Public Health	APH01	Hay B
Administration	Head of Economic Development	F1201	Hay A
Administration	Head of HR	A1507	Hay A
Administration	Head of Policy & Communications	AR110	Hay A
Finance	Director of Finance	F0101	Hay D
Finance	Assistant Director (IT & Business Management)	AR101	Hay B
Finance	Assistant Director (Property Services)	A2201	Hay B
Finance	Assistant Director (Financial Services)	F0401	Hay B
Finance	Assistant Director (Customer Services & Service Transformation)	FB001	Hay A
Finance	Assistant Director (Revenue Services)	F3100	Hay A
Finance	Assistant Director (Financial Management)	F0801	Hay B
Housing & Community Services	Director of Housing & Community Services	HCS001	Hay D
Housing & Community Services	Deputy Director of Housing & Community Services	TS001	Hay C
Housing & Community Services	Assistant Director (Planning & Development)	TM002	Hay B
Housing & Community Services	Assistant Director (Housing Services)	H0401	Hay A

Housing & Community Services	Assistant Director (Housing Strategy & Development)	H0605	Hay A
Housing & Community Services	Assistant Director (On Street Services and Contracts)	N/A - Vacant	Hay A
Education & Social Services	Director of Education & Social Services	SD020	Hay D
Education & Social Services	Assistant Director (Operations)	SD022	Hay B
Education & Social Services	Assistant Director (Business Resources)	SD023	Hay A

**APPENDIX 5
to Paper No. 15-252****Posts to be created**

Dept	Post	Grade
Chief Executive's Group	Chief Executive	Hay 1
Resources	Director of Resources & Deputy Chief Executive	Hay 2
Housing & Regen	Director of Housing & Regeneration	Hay 2
Environment & Community	Director of Environment & Community	Hay 2
Education & Social Services	Director of Education & Social Services	Hay 2
Chief Executive's Group	Director of Public Health	Hay 3
Chief Executive's Group	Assistant Director – Policy & Communications	Hay 3
Resources	Assistant Director – Financial Management	Hay 3
Resources	Assistant Director – Corporate Services	Hay 3
Resources	Assistant Director – Customer Services	Hay 3
Resources	Assistant Director – Revenue Services	Hay 3
Resources	Assistant Director – Financial Services	Hay 3
Resources	Head of ICT	Hay 3
Housing & Regen	Assistant Director - Strategy & Development	Hay 3
Housing & Regen	Assistant Director – Housing Services	Hay 3
Housing & Regen	Assistant Director – Property Services	Hay 3
Housing & Regen	Assistant Director – Economic Development	Hay 3
Environment & Community	Assistant Director – Planning & Transport Strategy	Hay 3
Environment & Community	Assistant Director – Highway Operations & Street Scene	Hay 3
Environment & Community	Assistant Director – Traffic & Engineering	Hay 3
Environment &	Assistant Director – Contracts & Leisure	Hay 3

Community		
Education & Social Services	Assistant Director – Adults	Hay 3
Education & Social Services	Assistant Director – Adults	Hay 3
Education & Social Services	Assistant Director – Business Resources	Hay 3

**APPENDIX 6
to Paper No. 15-252**

RICHMOND-UPON-THAMES AND WANDSWORTH COUNCILS

**RICHMOND AND WANDSWORTH JOINT
APPOINTMENTS COMMITTEE (JAC)**

TERMS OF REFERENCE

AND

RULES OF PROCEDURE

[This Committee is established under the provisions of Section 102 of the Local Government Act 1972. To the extent that Executive functions are involved then Section 9EB of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) Regulations 2012 (2012/1019) are relevant.]

1. TERMS OF REFERENCE

- 1.1 The JAC are authorised to exercise the powers and functions of the Councils of Richmond-upon-Thames and Wandsworth concerning –
- (a) the interviewing and appointment of all relevant Chief Officers for the shared staffing structure between the Richmond and Wandsworth Borough Councils to the extent allowed under the Local Government Act 2000; and
 - (b) to make recommendations to each Council on the appointment of the Head of Paid Service.

2. RULES OF PROCEDURE

Membership of Committee

- 2.1 The Councils of Richmond-upon-Thames and Wandsworth shall each appoint three Members to the JAC (politically balanced), appointed in accordance with the respective Council's local Standing Orders, including those governing their period of office, vacancies arising and related matters, provided that there shall, be at least one Executive Member from each Council.

- 2.2 The Committee shall be re-constituted at each Council's Annual Meeting as may be required by them.
- 2.3 Each Council shall be entitled to change its appointees during the municipal year.

Chairman and Deputy Chairman

- 2.5 The JAC shall elect a Chairman and Deputy Chairman at their first meeting, and at their first meeting in each municipal year, who shall, subject to the following provisions remain in office until such time as their successor is appointed. The Deputy Chairman shall not normally be a Member of the same Council as that of the Chairman. The Committee shall establish a procedure whereby the Committee's meetings – or succession of adjourned meetings - are chaired alternately by a Member from each Council, dependent upon the location of the meeting.
- 2.6 In the absence of the Chairman and the Deputy Chairman of the Committee, and taking into account the alternate chairing of paragraph 2.5 above, the Committee shall elect one of their number to chair the meeting.

Quorum

- 2.7 The quorum of a meeting of the JAC shall be FOUR, provided that there shall be two Members present from each constituent Council.

Voting

- 2.8 All decisions of the Committee shall be made by majority voting of the Members present at the meeting. Voting shall be by a show of hands provided that the vote of an individual Member shall be recorded in the minutes of the meeting if the Member so requires.

Reports to constituent councils

- 2.10 A report shall be made by the Chief Executive to both constituent councils on the proceedings at each meeting of the JAC, including any votes and names recorded, with any necessary recommendations. In particular, the salary details of all appointments for which it has been necessary for the starting salary to exceed £100,000 shall be reported to the next subsequent meeting of the Council.

Support

- 2.11 The meetings of the JAC shall normally be serviced by relevant officers from both Boroughs.

- 2.12 Meetings of the JAC shall normally be held alternately at Wandsworth Town Hall or at York House, Twickenham.
- 2.13 The host Council for each meeting of the JAC shall be responsible for arranging appropriate meeting rooms.

Public Access to JAC meetings, agendas and minutes

- 2.14 So far as is necessary in accordance with the requirements of the Local Government Act 1972 (as amended), all meetings of the JAC shall be held in public unless the public is excluded by resolution of the Committee under section 100A (4) Local Government Act 1972.
- 2.15 Notice of meetings and the agenda and minutes of meetings shall be published in accordance with the usual statutory requirements governing local authority meetings.

3. RELATED MATTERS DELEGATED TO OFFICERS

- 3.1 **The Chief Executive** – who is the Head of Paid Service - is authorised to exercise the following powers and duties of the Council:-
 - (a) To appoint temporary acting Directors, from among existing Council employees, when necessary because of the temporary absence of the postholder concerned or in the case of the post becoming vacant; and
 - (b) To exercise the Council's functions relating to the appointment of chief officers who are Directors as set out in Part 1 of Schedule 1 of the Local Authorities (Standing Orders) Regulations 1993.
- 3.2 **The Chief Executive and all Directors** are authorised to exercise the Council's functions relating to the appointment of chief officers (other than the Chief Executive and Directors) as set out in Part 1 of Schedule 1 of the Local Authorities (Standing Orders) Regulations 1993. .

4. CONSULTATION BEFORE OFFERS OF APPOINTMENT

- 3.1 In accordance with the requirements of Local Authorities (Standing Orders) (England) Regulations 2001, approval of the appointment of Head of Paid Service shall be required at a full Council meeting of each Council following the recommendation of the JAC. The full Councils may only make or approve the appointment of the Head of Paid Service where no well-founded objection has been made by any Member of the Executives and an offer of appointment shall not be made until after such approvals have been given.

- 3.2 In accordance with the requirements of the Local Authorities (Standing Orders) (England) Regulations 2001, any offer of appointment in relation to senior posts of the nature dealt with by the JAC must not be given before the following requirements are met:-
- (a) the proper officer (i.e. the Head of Paid Service) must be notified of the intended appointment together with relevant particulars by the appointer;
 - (b) the proper officer must then notify all Members of the Executive of each Council:-
 - (i) the name of the person to be appointed;
 - (ii) any other particulars received by him or her relevant to the appointment;
 - (iii) the period (which shall be three days from the date of the notification) within which any objection to the appointment is to be made to the proper officer by either of the Leaders, on behalf of their Executive; and
 - (c) either:-
 - (i) each Leader has within the prescribed period notified the appoint or responsible for the planned appointment that neither he nor any other member of the Executive has any objection;
 - (ii) the proper officer has notified the appointer that no objection was received from either of the Leaders within three days from the date of notification; or
 - (iii) the appointer is satisfied that any objection received from the Leaders within three days from the date of notification is not material or is not well-founded.

Approved at the meeting of Richmond-upon-Thames Council held on

.....

Approved at the meeting of Wandsworth Borough Council held on

.....

**APPENDIX 7
to Paper No. 15-252**

Comparison of existing and proposed grade bandings and salary ranges

Existing Wandsworth Grade Bandings and Salary Ranges

New Hay Grade	Min Hay Points	Max Hay Points	Max of Range	Min of Range
Hay E	1,751	2,250	£219,089	£174,829
Hay D	1,251	1,750	£168,630	£132,860
Hay C	1,051	1,250	£130,816	£105,266
Hay B	901	1,050	£117,530	£91,980
Hay A	700	900	£104,244	£76,650

In addition to the above, the Director of Finance is also Deputy Chief Executive and is paid an additional salary premium of 13.2%, reflecting the additional duties, responsibilities and commitment required.

Proposed Shared Staffing Arrangement grade bandings and salary ranges

New Hay Grade	Min Hay Points	Max Hay Points	Max of Range	Min of Range
Hay 1	2,141	2,550	£245,000	£210,000
Hay 2	1,350	1,750	£175,000	£140,000
Hay 3	732	1,349	£130,000	£80,000

In addition to the above the Hay Group considers that the post of Director of Resources & Deputy Chief Executive requires an additional salary premium to reflect the deputising role. Hay therefore recommends an appropriate premium of up to 10% in addition to the Director salary range, reflecting the additional duties, responsibilities and commitment required.

APPENDIX 8
to Paper No. 15-252

Outline of proposed areas for commencing consultation with staff, staff side and trade unions

Term	Current Wandsworth position (Paper 15-119)	Current Richmond position	Initial Proposal re harmonisation
Incremental pay progression	Merit based system for all staff, based on clear set of criteria.	Increments to top of career grade payable automatically subject to eligibility and satisfactory service. Management Grade and Chief Officers – increments payable on confirmation of a good appraisal, subject to moderation.	Merit based system for all staff, based on clear set of criteria.
Performance related pay	PRP funded at 2.5% for staff below PO7 & 6% for those PO7 & above, not consolidated. Managers have discretion to award within this funding envelope, using a clear set of criteria.	None.	Performance related pay, based on clear set of criteria, funded at 2.5% for staff below PO7 & 6% for those PO7 & above.
Pay Protection	2 years	None currently, with any arrangements being agreed as part of individual proposals.	1 year pay protection.
Annual Leave	31 days for all staff, including 2 statutory days. Includes 2 statutory days.	Ranges from 23 to 32 days depending on grade and length of service. Includes 2 statutory days.	Move to 31 days for all staff.
Sickness Triggers	Short term absence triggers: 9 days absence or after the 2nd occasion of sickness absence within any rolling 12 month period. Salary reductions of 1 day at 1st trigger, 2 days at 2nd trigger and 5 days at 3rd trigger. Long term absence triggers - 4 working weeks, salary reduction of 1 day at 1st	No salary reductions associated with sickness triggers. Triggers for management action are 8 days in two or more occasions for short term intermittent absence, 6 weeks for long terms absence within any rolling 12 month period.	Move salary reductions linked to absence triggers equivalent to Wandsworth scheme.

Term	Current Wandsworth position (Paper 15-119)	Current Richmond position	Initial Proposal re harmonisation
	trigger, 5 days at 2nd trigger or if in excess of 3 months.		
London Allowances	Inner London Weighting Allowance is integrated into basic pay.	Outer London Weighting Allowance is integrated into basic pay.	London allowances will be determined by where the individual is based.
Redundancy	Actual pay x variable multiplier between 1 and 2. Costs of early payment of pension are deducted from the redundancy payment. A further discretion of up to 0.25 is available in special circumstances.	Actual pay x fixed multiplier 1.5	To move to Richmond scheme of actual pay x fixed multiplier 1.5, with the addition of a further discretion of up to 0.25 in special circumstances.
Voluntary Overtime Mon– Sat	Time and a quarter paid.	Plain time for part-time work up until full time hours, then 1.5 or planned overtime rates.	Move to time and a quarter paid.
Car Allowance – Essential user	Lump sum £846 if meets eligible criteria and 36.9p per mile, reducing after first 8,500 miles.	No essential car user category and no fixed payments. Approx. 200 users set up as casual and able to claim mileage only.	Adopt Richmond model of claiming mileage for new employees.
Car parking	Staff pay £25 per month for car parking if they are full time and £14 per month if they are part time.	Car parking provided for limited number of staff on a needs basis. Other staff make own arrangements including through salary sacrifice scheme.	Both boroughs to retain existing schemes as an interim measure pending further analysis and consideration.
Expenses	Paid in accordance with the standard national terms for Chief Officers who cannot claim for journeys within the Greater London area.	All staff can claim.	Pay in accordance with the standard national terms for all staff below Chief Officer level regardless of grade. Chief Officers to be able to use corporate Oyster Card for business journeys within the M25.

Term	Current Wandsworth position (Paper 15-119)	Current Richmond position	Initial Proposal re harmonisation
Travelling between Richmond and Wandsworth	As above for general expenses.	To date, either a corporate Oyster Card or can be claimed back via expenses	Corporate Oyster cards to be provided, solely for any element of journey between Richmond and Wandsworth that doesn't form part of a normal commute to and from work. No allowance for those choosing to drive.
Additional commuting expenses arising from SSA	Paid on locally agreed basis of two years after change.	Currently considered on a case by case basis	That additional commuting expenses arising from the SSA should not be paid.
Compassionate Leave	Up to three days paid leave can be granted.	Up to five days paid leave, at the discretion of the employee's AD/ Director, in events such as death of a near relative.	To move to three days paid leave for all staff.
First Aid Allowances	£125 per year.	£102 per year (only qualified staff).	To move to £125 per year for all staff.
Payment of professional subscriptions	Professional fees are paid whilst individuals are in training but this ceases once qualified. HCPC Registration fees (£160.00 per employee every 2 years).	Professional fees generally paid whilst individuals are in training but cease once qualified, except in strictly limited circumstances where required as part of statutory role.	Payment of HCPC (excluding for Chief Officers) but no other professional fees.

**APPENDIX 9
to Paper No. 15-252**

Current severance arrangements for non-teaching staff

1. Where it is appropriate to make a severance payment, it is necessary to assess the appropriate level of payment in an individual case by taking into account the benefits to the Council and the loss suffered by the employee. An approach has been adopted in order to deal with the majority of cases that will occur and guideline factors as to the evidence to be taken into account in the assessment of a severance payment in an individual case are as follows;
 - a) Occupation - e.g. whether jobs are widely available or whether skills are specialised and opportunities are limited;
 - b) Skills/ qualifications to aid re-employment;
 - c) Current position of labour market;
 - d) Position of employee with regard to job offers;
 - e) Any other relevant individual factors; and
 - f) Remuneration and benefits (e.g. leave/ pension scheme/ working hours/other fringe benefits) in the job lost and in any new job offered or likely to be obtained.
2. Employees and managers shall be required to address these factors and to provide available evidence to support statements made in relation thereto. This information shall then be used to assess the employee's likely future loss by using one of the categories listed below:-
 - (i) Permanent job offer on similar or better remuneration and terms and conditions (i.e. including all benefits);
 - (ii) Offer made but remuneration, etc., less favourable;
 - (iii) Offer likely to be available within a reasonable period - say six months - on similar or better remuneration, etc.;
 - (iv) As (iii) but remuneration, etc., less favourable;
 - (v) Offer only likely in longer term on similar or better remuneration, etc.;
 - (vi) As (v) but remuneration, etc., less favourable; and
 - (vii) Future employment unlikely.
3. Having allocated a category the amount of the payment made shall normally be within the range indicated below, plus or minus 0.25. The exact amount shall be determined by careful consideration of the employee's case by officers appointed for this purpose by the Director of Finance and the Head of Corporate Human Resources who shall constitute the "Severance and Early Retirement Panel". The aim of the Panel shall be to determine what would be reasonable and just compensation for the loss of employment. The employee shall be informed of the assessment as soon as possible.

<u>Category of Employee</u>	<u>Normal Range of award</u>
(i)	Redundancy payment x 1.0
(ii) & (iii)	Redundancy payment x 1.0 – 1.2
(iv) & (v)	Redundancy payment x 1.2 – 1.6
(vi) & (vii)	Redundancy payment x 1.6 – 2.0

4. Redundancy payment here means a payment calculated in the same way as a statutory payment but without a limit on the amount of a week's pay.
5. Payments made under these arrangements include any statutory redundancy payment to which the employee may be entitled.
6. Whether the payment will be towards the lower or higher range of the relevant category shall depend upon all the circumstances, for example, the extent of any reduction in pay and benefits in any new job if applicable. If there are special circumstances which suggest in a particular case that a payment below or above the normal range for that category is appropriate, these shall be given full consideration.
7. For those employees aged 55 and over the discretionary severance due shall be offset against the capital cost to the Council of granting early retirement to the employee. The balance, if any, of the discretionary severance due shall be paid to the employee in addition to the statutory minimum.
8. In exceptional circumstances, a director may make the business case to the Severance and Early Retirement Panel for a redundant employee to receive a severance payment calculated on a multiplier of 1.25 times the single multiplier prior to the discretionary enhancement being applied. It would be necessary to demonstrate that it was in the Council's best business interests for additional enhancement to the severance payment which would otherwise have been payable to be conditionally offered to the employee on the termination of his employment. The additional enhancement to the severance payment that this would provide would be excluded from the offsetting arrangements. If the Panel supports the case a recommendation would be made to the Head of Corporate Human Resources who is authorised to implement such recommendations, in consultation with the Director of Finance.
9. These severance arrangements do not apply to employees engaged on fixed term contracts due to specific grant funding. Employees engaged in such circumstances shall not receive enhanced compensation.

Representations

10. Should an employee consider that the assessment made by the Panel has been based on incorrect facts then written representations can be made on the assessment and the Panel shall be reconvened to reconsider their assessment.

**APPENDIX 10
to Paper No. 15-252**

Revised severance arrangements for non-school based staff

1. Where it is appropriate to make a severance payment, this will be based on redundancy payment multiplied by 1.5.
 2. Redundancy payment here means a payment calculated in the same way as a statutory payment but without a limit on the amount of a week's pay.
 3. Payments made under these arrangements include any statutory redundancy payment to which the employee may be entitled.
 4. In exceptional circumstances, a director may make the business case to the Head of Corporate Human Resources who is authorised to implement such recommendations, in consultation with the Director of Finance, for a redundant employee to receive a severance payment calculated on a multiplier of up to 1.25 times the standard multiplier (1.5). It would be necessary to demonstrate that it was in the Council's best business interests for additional enhancement to the severance payment which would otherwise have been payable to be conditionally offered to the employee on the termination of his employment. It would not be applied in cases where a payment would exceed £100,000.
 5. These severance arrangements do not apply to employees engaged on fixed term contracts due to specific grant funding. Employees engaged in such circumstances shall not receive enhanced compensation.
-

Equality Impact Assessment

	Richmond				Wandsworth				
	All staff		Chief Officer group		All staff		Chief Officer group		
Total staff in group	1104		17		2662		26		
Characteristic	No.	%	No.	%	No.	%	No.	%	
Is there a particularly high number of any group of staff affected by the change, according to the following categories:									
Gender									Yes
Female	652	59.06%	6	35.29%	1625	61.05%	5	19.23%	
Male	452	40.94%	11	64.71%	1037	38.95%	21	80.77%	
Ethnicity									Yes
Asian/Asian British - Bangladeshi	8	0.72%			19	0.71%			
Asian/Asian British - Chinese	6	0.54%			20	0.75%			
Asian/Asian British - Indian	44	3.99%	1	5.88%	53	1.99%			
Asian/Asian British - Pakistani	7	0.63%			26	0.98%			
Asian/Asian British - Any Other Asian background	28	2.54%			48	1.80%			
Black/Black British - African	45	4.08%			233	8.75%			
Black/Black British - Caribbean	27	2.45%			385	14.46%			
Black/Black British - Any Other Black/African/Caribbean background	3	0.27%			167	6.27%			
Mixed- White and Asian					9	0.34%			
Mixed- White and Black African					16	0.60%			
Mixed- White and Black Caribbean					39	1.47%			
Mixed/Multiple Ethnic Group - Any Other Mixed/Multiple ethnic background	15	1.36%			26	0.98%			
White - English/Welsh/Irish/Scottish/Northern Irish/British	730	66.12%	15	88.24%	1326	49.81%	22	84.62%	

Development of Shared Management Structure

White - Irish	30	2.72%			60	2.25%	2	7.69%	
White - Any Other White background	78	7.07%	1	5.88%	112	4.21%			
Any other	23	2.08%			27	1.00%			
not known	60	5.43%			96	3.61%	2	7.69%	
Disability									No
Disabled	56	5.07%		0.00%	210	7.89%	2	7.69%	
Not Disabled	276	25.00%	5	29.41%	2296	86.25%	22	88.46%	
Prefer not to say	7	0.63%							
Not known / Not recorded	765	69.29%	12	70.59%	156	5.86%	2	7.69%	
Sexual Orientation									N/A
Hetrosexual	665	60.24%	11	64.71%	not collected		not collected		
Lesbian/ Gay/Bi	33	2.99%	2	11.76%					
Prefer not to say	93	8.42%	2	11.76%					
not specified / Not recorded	313	28.35%	2	11.76%					
Religion or belief									N/A
Agnostic	2	0.18%			not collected		not collected		
Atheist	18	1.63%							
Buddhist	10	0.91%							
Christian	471	42.66%	9	52.94%					
Hindu	18	1.63%							
Jewish	2	0.18%							
Muslim	29	2.63%							
Islam	3	0.27%							
No religion/belief	188	17.03%	3	17.65%					
any other	43	3.89%							
Prefer not to say	67	6.07%	1	5.88%					
Sikh	25	2.26%							
Not Known/specified	228	20.65%	4	23.53%					
Age									No
16-25	60	5.43%			63	2.37%			

25-34	191	17.30%			450	16.90%			
35-44	249	22.55%	1	5.88%	584	21.94%	3	11.54%	
45-54	304	27.54%	9	52.94%	922	34.64%	16	61.54%	
55-64	253	22.92%	7	41.18%	594	22.31%	7	26.92%	
65+	47	4.26%			49	1.84%			

Includes a small number of staff not directly impacted by the proposed senior management restructure.

2.	What is the less favourable effect?	There is no evidence that the proposed senior management restructure in itself will adversely affect individuals within this group. Richmond has a predominantly white workforce, Wandsworth is more diverse but for both councils the proportion of white staff within the Chief Officer group is significantly higher than the all staff group. The overall workforce for both councils is approximately 60% female 40% male, whereas for Chief Officers there is higher proportion of males to female staff, particularly at Wandsworth.
3.	If you have identified potential discrimination or less favourable treatment, are there valid, legal and/or justifiable explanations for this?	Although no potential discrimination or less favourable treatment has been identified, moving forward the Council will want to consider how to ensure the joint workforce resulting from SSA reflects local demographics, and in particular how to provide development and recruitment opportunities for those staff under represented at the senior level.
4.	What alternative options have been considered to minimise the impact on these groups of staff (eg alternatives to compulsory redundancy such as reduced hours, voluntary redundancy etc)?	There have been a number of staff briefing sessions, written communications and consultation document to give alternative options. Further sessions and specific information relating to any future reorganisations will follow. In respect of the senior management reorganisation, staff were invited to give comments as part of this consultation that has been considered in the development of this EIA. No feedback gave options that altered the basis of the EIA data.
5.	Do any selection criteria being used ensure equality for all groups?	The selection criteria will be discussed and agreed as part of the process to ensure there is a consistent approach based on the principles of equality.
6.	What assistance is being provided to ensure all staff are equipped for the selection process (eg interviewee techniques training)	All staff will be supported throughout the process and will have access to one to one career coaching from Penna. Access to the Employee Assistance Programme and other internal support is available as part of normal council business.
7.	Can we reduce the impact by taking different action?	As there is no evidence of a direct impact by the proposals, no different action is appropriate.

