

Employment and Appointments Committee

27 June 2017

REPORT TITLE	RECRUITMENT TO CHIEF OFFICER POSTS AND STRUCTURE CHANGES
REPORT OF	CHIEF EXECUTIVE

1.0 REPORT SUMMARY

- 1.1 In November 2016 the Council implemented a new operating model and organisational structure to enable the Council to deliver the 20 Pledges for 2020, described within the Wirral Plan. (Appendix One)
- 1.2 We have recently had two resignations and a request for early retirement at Chief Officer level. We were also notified of a planned retirement.
- 1.3 As a consequence of this there will now be a requirement to recruit to a number of key posts. This has provided an opportunity to review how we are best organised at senior management level to deliver our plans at this time. We have made appointments to a number of senior positions since November 2016. We are continuing to improve our capacity to deliver the Wirral Plan, deliver our transformation plans and explore the best models to deliver services to residents of Wirral.
- 1.4 This report recommends recruiting to the vacant post of Director for Children, the forthcoming vacant post of Assistant Director: Law and Governance and a newly configured Director of Finance post (following retirement). The report sets out recommended salaries for these roles based on external benchmarking and advice.
- 1.5 The report also sets out some changes to reporting lines for some functions in response to the evolving nature of the operating model; to enable the Council to reorganise capacity and to meet future requirements

2.0 RECOMMENDATIONS

The Employment and Appointments Committee is requested:

- 2.1 To approve the revised Chief Officer structure of the Council, detailed in Appendix Two (including the deletion, creation and change of roles) with the new structure effective from 1 September 2017.

- 2.2 To set up politically proportionate Appointments Panels, in accordance with the terms of reference set out in Appendix Seven, for the following posts to be advertised internally and externally at the following salary:
- Director for Finance (S151 Officer), Director 1, £103k-115k
 - Director for Children SD2 (new grade), £140-155k
 - Assistant Director: Law and Governance (Monitoring Officer) AD 1/Director 2, £79-93k
- 2.3 To agree that the posts specified in 2.2 be advertised as soon as possible following the meeting of the Employments and Appointments Committee on 27 June 2017.
- 2.4 To agree that the Assistant Director: Human Resources and Organisational Development be authorised to make and undertake all requisite arrangements necessary for the appointments to be made.
- 2.5 That it be recommended to Council that the Employment and Appointments Committee have delegated authority to formally agree and confirm the appointment of all the posts specified in 2.2.
- 2.6 To recommend to the Council that the Chief Officer pay scales as set out in the Council's Pay Policy be amended to incorporate proposed salary for Director for Children's Services post. (Appendix Three)
- 2.7 To consider those matters detailed in Appendix Eight. This appendix contains personal information about an individual and therefore is an exempt by virtue of paragraph(s) 1 of Part 1 of Schedule 12A of the Local Government Act 1972. The public interest test has been applied and it favours the exemption being applied.

SUPPORTING INFORMATION

3.0 REASONS FOR RECOMMENDATIONS

- 3.1 The revised Chief Officer structure is proposed by the Chief Executive for the following reasons:
- The retirement of the Assistant Director: Finance (Section 151 Officer).
 - The resignation of the Director for Children.
 - The resignation of Assistant Director: Law and Governance (Monitoring Officer);
 - A request for early voluntary retirement at Chief Officer level; and
 - In response to the evolving nature of the operating model; to enable the Council to reorganise capacity and to meet future requirements.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 There is a requirement to replace the Section 151 Officer, Monitoring Officer and Director of Children's Services all of which are statutory posts. The Council has taken appropriate benchmarking advice on the level of remuneration for those roles in current market.

4.0 Summary of Proposed Changes (Recruitment)

Director for Children

- 4.1 This is a vacancy following the resignation of the previous Director for Children in May 2017. There is currently a short-term acting up arrangement in place.
- 4.2 This is a challenging time for Children's Services. This post is critical in managing high risk areas and continuing the progress that has been made to improve the service following the Ofsted inspection in 2016 and contains statutory duties. There is a new management team in place at senior level. There is no higher priority for the council and its partners than protecting Wirral's vulnerable children.
- 4.3 It is paramount that we attract the highest quality candidates with the necessary skills and experience to lead and drive the service forward and someone who has a credible track record of children's services/social care improvement.
- 4.4 The Council has undertaken some benchmarking of similar roles and has taken advice from our recruitment consultant (Penna) to determine the appropriate level of remuneration for this post. There are a number of other roles currently being advertised across the country.
- 4.5 It is recommended that the post is advertised at circa £140k-155k to ensure that we are competitive in this market and able to attract the highest calibre of applicants.
- 4.6 A salary range is proposed to allow the Committee flexibility to appoint the right candidate. This would require an amendment to current Chief Officer pay grades as set out in the Pay Policy.

- 4.7 Appendix Four sets out a summary of duties for the Director for Children role and salary benchmarking information.
- 4.8 There would be no impact on other Chief Officer pay arrangements arising from this proposed change.

Director for Finance

- 4.9 Assistant Director: Finance (and S151 Officer) confirmed his intention to retire earlier this year. There is no cost to the Council.
- 4.10 We have reviewed the role and requirements for the Council going forward.
- 4.11 It is proposed to re-designate this role as a Director of Finance (and S151 Officer) which will have a wider breadth and focus than the current role. The Council's budget challenge is significant (with £132m budget gap over the next 3 years) and there is a continued requirement for robust financial planning and governance. This role will also have a strong commercial focus, a responsibility for investment and income generation opportunities and will also oversee the responsibilities for pensions.
- 4.12 This post will report to the Director of Corporate Resources and Reform (see below) which will ensure that financial management, planning and benefits realisation are fully integrated within the transformation process.
- 4.13 The Council needs to attract a candidate with significant experience at strategic level in financial services, experience of transformational change, strong commercial awareness and acumen, solution focused with a strong and clear budget approach and understanding income and investment.
- 4.14 The Council has undertaken some benchmarking of similar roles. Advice from our recruitment consultant (Penna) has advised that a competitive market rate for this role would be circa £110,000. Therefore it is proposed the salary range for this post is Director 1 (£103,606-£115,117) to reflect the additional responsibilities and attract the highest calibre of candidate.
- 4.15 The Assistant Director of Finance has agreed to remain in post for a further period of time. As part of this, interim support is required at senior financial level to support the transformation work and allow a phased retirement between now and the end of this year. This will be funded by existing vacancies within the service area.
- 4.16 Appendix Five sets out a summary of duties Director of Finance role and salary benchmarking information.

Assistant Director: Law and Governance (and Monitoring Officer)

- 4.17 This post will soon be vacated following the resignation of the current post holder. This is a statutory post.
- 4.18 The Council is required to ensure that a Monitoring Officer is in place. The current post holder will have worked his notice period and left before an

appointment can be made and therefore an interim Monitoring Officer will be appointed and confirmed at Council on 10 July 2017.

- 4.19 The Monitoring Officer requires a solution focused approach to managing risk, leading a professional legal and democratic service, overseeing and managing the Council's constitutional arrangements including Member conduct, and ensuring strong governance through change.
- 4.20 The Council has undertaken some benchmarking of similar roles. The role is currently Head of Service 1 level within the salary range £79,259 - £88,065.
- 4.21 Advice from our recruitment consultant (Penna) following an assessment of the current labour market is that a competitive market rate for this role would be circa £90,000. Therefore it is proposed the salary range for this post is extended to Head of Service/Director 2 (£79,259 – £92,854) to provide flexibility for the Appointment Panel for the right candidate.
- 4.22 Appendix Six sets out a summary of duties for this role and salary benchmarking information.

Current Labour Market Context

- 4.23 The roles set out above form a core element of the Council's senior management team. We require team players, relationship builders, those who can develop strategy and deliver results, manage risk and help manage their teams through major changes. We need candidates who understand political acumen and can work commercially.
- 4.24 Penna has advised that the current market in local government is challenging and competitive. Given the focus needed, some of the statutory roles are in high demand and require modern operators who look at challenges and opportunities in an innovative and solution focused way.
- 4.25 All of the above places an emphasis on the packages for a quality field of candidates that needs to be positioned well to attract in a market place which is already challenging.

Other changes to structure proposed

- 4.26 There are a number of other changes proposed which have arisen from the review of roles undertaken following vacancies at very senior level as detailed below.

Health and Care

- 4.27 With the commissioning of adult services being led jointly with Health, the Director for Care and Health role will need to adapt to reflect the integrated working and commissioning arrangements in place.
- 4.29 Considerable progress has been made in the last 6 months and work is currently being undertaken to explore further integration with the NHS for health

and care commissioning functions by April 2018. This will be a significant change for this post.

4.30 It is proposed that the Director for Care and Health and the team below move out of the strategic hub and report directly to the Chief Executive whilst this work is undertaken.

4.31 The Assistant Director for Integrated Commissioning will continue to report to this post and move with it.

Commissioning

4.32 Following the appointment of the Assistant Director: Commissioning Support in February 2017 it is proposed that Commissioning Support will move from Business Services to the Strategic Hub. This will strengthen the relationship between the function and the strategic commissioners in the Council.

Transformation Director

4.33 It is proposed that the Transformation Director will be retitled as Director of Corporate Resources and Reform which more accurately reflects the role and changes identified below.

Human Resources/Organisational Development and Finance

4.34 It is proposed Human Resources and Organisation Development (HR/OD) and Finance functions will move under the Director of Corporate Resources and Reform. These functions are integral to the successful delivery of organisational change, future modernisation of Council services as benefits are realised and will ensure that corporate functions are aligned to that agenda.

Merseyside Pension Fund

4.35 Upon commencement of a new Director of Finance it is proposed that they will assume responsibility for financial and governance oversight of Merseyside Pension Fund. This is anticipated to be January 2018.

Business Services

4.36 The Business Services function will retain Law and Governance, Digital and Asset Management. The Director of Business Services will also manage the Chief Executive's office as part of the role of Assistant Chief Executive.

4.37 The Council's digital function has an internal manager acting up following the resignation of the Head of Digital earlier this year. This will continue in place for the time being. A comprehensive review of the Council's approach to digital is required and will be undertaken.

4.38 The Director of Business Services has expressed interest in reducing working hours from five to four days a week once the Council has recruited to key posts. It is proposed that this request will be accommodated in due course.

- 4.39 It is proposed that changes to reporting lines set out above will be implemented by 1 September 2017.

Delivery

- 4.40 Merseyside Pension Fund will move under Director of Finance upon appointment. Other service functions will remain in Delivery. Under the transformation programme, work is being undertaken to explore the most appropriate models of service delivery across a range of services including further integration with health of some adult social services.

5.0 Support to the recruitment process

- 5.1 Subject to agreement to recruit to posts specified in 2.2, Penna Plc will act as the recruitment consultants to support the external recruitment processes under the Council's current contracting arrangements and under an existing framework agreement.
- 5.2 With a number of key roles, this will include some additional work around employer branding, enhanced recruitment microsite and the review and development of appropriate candidate assessment processes in line with best practice to support Employment and Appointments Panel in seeking to attract a strong pool of candidates and recruiting the best person for the role.

6.0 FINANCIAL IMPLICATIONS

- 6.1 The report sets out the recommended level of remuneration for each role in order for the Council to be competitive, based on advice and market conditions.
- 6.2 The overall revenue cost to the Council arising from proposed changes is £79,672. This arises from advice on current job market conditions for senior roles. This is growth and will need to be built into the Council's budget.
- 6.4 There is potential for a future reduction of £29,308 when the expected reduction in hours by the Director of Business Services is implemented.
- 6.5 Appendix Eight sets out the costs associated with a request at Chief Officer for early retirement. These are one-off costs that can be met within existing resources in year.

7.0 LEGAL IMPLICATIONS

- 7.1 The Council will ensure that all relevant employment legislation is complied with throughout the recruitment and selection processes.

8.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 8.1 The savings and costs are set out above report.
- 8.2 The cost of change; internal recruitment process will be managed by Human Resources. External recruitment processes will be managed by Human

Resources with the support of the recruitment consultants, Penna Ltd as per the Council's contractual arrangements.

9.0 RELEVANT RISKS

9.1 The Council has three vacancies in critical posts. There are considerable risks associated with the failure to recruit successors of high calibre at the right level and as swiftly as possible. This will form a core component of a new management team for the Council by late 2017/early 2018 which will provide the stability required to deliver our plans and budget challenges

10.0 ENGAGEMENT/CONSULTATION

10.1 There has been no requirement for formal consultation. There has been engagement with Chief Officers affected by the changes to reporting lines and re-organisation of functions. Trade Unions have been made aware of proposals.

11.0 EQUALITY IMPLICATIONS

11.1 The council will comply with all applicable Equality Act 2010 obligations.

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APPENDICES

Appendix	Title
One	Current Chief Officer Structure
Two	Proposed Chief Officer Structure
Three	Chief Officer Salary Structure
Four	Director for Children Draft JD and Salary Benchmarking Information
Five	Director for Finance Draft JD and Salary Benchmarking Information
Six	Assistant Director: Law and Governance Draft JD and Salary Benchmarking Information
Seven	Proposed Terms of Reference for the Appointments panel
Eight (Exempt)	Chief Officer Early Retirement information and costs
Nine (Exempt)	Additional information relating to Appendix 8

REFERENCE MATERIAL

N/A

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Employment & Appointments Committee	25 July 2016
Employment & Appointments Committee	11 October 2016