

SENIOR OFFICER AND APPOINTMENTS STAFFING SUB-COMMITTEE**Thursday, 28 July 2022**

REPORT TITLE:	CHIEF OFFICER STRUCTURE UPDATE REPORT
REPORT OF:	CHIEF EXECUTIVE

REPORT SUMMARY

This report sets out a number of proposed changes to the Council's Chief Officer structure and proposals to recruit to a number of posts at Director level.

Appendix Seven to the report contains information that is attributed to individual officers and in particular their financial and/or business affairs, and therefore is exempt by virtue of paragraph(s) 1 and 3 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.

This matter affects all wards in the borough.

RECOMMENDATION/S

The Senior Officer and Appointments Staffing Sub-Committee is requested to

1. Approve the establishment of a new post of Director of Finance (and S151 officer) at grade D1 and commence recruitment to that post.
2. Note the intention to commence the recruitment process to the post of Director of Regeneration and Place, at the current grade of D1, following the resignation of the current postholder.
3. Note the intention for the current Assistant Director: Chief Regeneration Officer to act up on a temporary basis.
4. Note the intention to commence the recruitment process to the post of Director of Law and Governance (and Monitoring Officer), at a broader grade range of D1 and D2, following the resignation of the current postholder.
5. Note the intention to recruit to an interim Director of Law and Governance, subject to identification of a suitable candidate, to provide cover during the period of the recruitment process.
6. Note the intention for the Chief Executive to bring a further report in the autumn of 2022 setting out a restructure at Chief Officer level.

7. Consider and approve the recommendation set out in Appendix Seven.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The Chief Executive is making these recommendations in response to evolving requirements and turnover at senior level in order to ensure that there is senior management capacity and capability in place for the Council to deliver its plans.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 It is necessary to recruit to Director level posts that have become vacant. The Director of Law and Governance includes the statutory monitoring officer duties, and the Director of Regeneration and Place is a key role in leading the Council's regeneration plans.
- 2.2 An external interim could be brought in to cover the Director of Regeneration and Place post, however we are able to do this within existing resources through an acting up arrangement.
- 2.3 In relation to the proposal to create a Director of Finance post, the Council has accepted the recommendations from external assurance reports in relation to reviewing the scope of the Director of Resources role, prioritising financial recovery and taking steps to strengthen the Council's strategic financial capacity. It is not considered an option to continue without a dedicated senior finance role at SLT level with S151 officer responsibilities.

3.0 BACKGROUND INFORMATION

- 3.1 The current Chief Officer structure was agreed in March 2020. Recruitment took place during the summer of 2020 when a number of new and vacant posts were recruited to.
- 3.2 In recent months there has been turnover at Director level with two resignations and a retirement.
- 3.3 Over the past six months, work has been undertaken to review the current structure. This work has also considered the content and recommendations of the external assurance reports received in November 2021 and the recommendations contained in the Peer review in March 2022. Additionally, the Local Government Association has been supporting the Council with a piece of work in relation to the Council's Finance, Assets and Legal functions which will inform the next phase of the structure review. This work remains ongoing and it is proposed that a further report will be submitted to the Sub Committee in the Autumn.

Resources

Director of Finance

- 3.4 The Council, having applied for exceptional financial support, received a capitalisation directive for 2020/21 and received an offer for 2021/22 subject to an external assurance review focusing on its financial position and on its ability, including the strength of its governance arrangements, to deliver its plans for medium-term sustainability. The Minister wrote to the Council in November 2021 publishing the two independent reports that make up the External Assurance Review.
- 3.5 The Council accepted the recommendations set out within those reports and has subsequently taken steps to implement a plan of improvement.
- 3.6 In November 2021, the Chief Executive authorised the Director of Resources to appoint additional resource to provide capacity and support in carrying out the duties of the s.151 Officer. An interim Director of Finance was appointed who has brought significant experience of local government finance and supported the Council's financial recovery. The financial recovery plan is embedded as part of the Improvement plan which was agreed at Full Council on 11 July 2022.
- 3.7 One of the observations in the External Assurance Review – Governance report undertaken by Ada Burns, was that 'The Director of Resources has a wide span of responsibility and some gaps in her department. A relentless focus on the numbers, on the plans short and medium term, an absolute grip on delivery, and the development of the costed, timed plan to achieve financial stability is needed from the Director and she may not have the capacity to lead this'.
- 3.8 The report recommended that the Chief Executive 'review the portfolio of the Director of Resources to ensure that she has the capacity and support to develop and manage delivery of the financial recovery plan'
- 3.9 The financial review undertaken by CIPFA observed in its final report that 'the scale of the financial challenge faced by the Council means that the Section 151 Officer needs to have sufficient capacity to focus on delivering a balanced budget and ensuring that action is taken to address it'.
- 3.10 It recommended the Council should 'Re-assign the non-financial responsibilities of the Section 151 Officer to enable the individual to focus on financial resilience. If the role is re-assigned, the Section 151 Officer should continue to be part of the executive leadership team'
- 3.11 In view of this and the priority for the Council to continue to take steps to strengthen its financial resilience and improvement plans, it is therefore proposed that a Director of Finance role is established as a new permanent role, reporting directly to the Chief Executive and undertaking the statutory Section 151 Officer duties.
- 3.12 This post will have functional responsibility for Finance and Accountancy, Revenues and Benefits, Procurement and Internal Audit. It will also fulfil the Council's s151

responsibilities and obligations as the administering authority for Merseyside Pension Fund.

- 3.13 Given the responsibilities associated with this post it is proposed as Grade D1 in the Council's grading structure. This has been benchmarked with other roles internally and externally and it is important that the salary is competitive in the external recruitment market to attract a strong field.
- 3.14 It is proposed to commence recruitment to this post immediately. Subject to a successful recruitment process and taking into account notice periods at this level, it may be reasonable to anticipate that an appointment can be made and a candidate in post by December 2022 or January 2023.
- 3.15 In view of this, there is no immediate change to the Director of Resources role and therefore the postholder will continue to manage the current functions with the interim Director of Finance remaining in place until approximately December 2022. This arrangement will provide capacity, capability and continuity through the forthcoming 2023/24 budget process.
- 3.16 The duties and functional responsibilities of the Director of Resources role will be reviewed over the coming months, alongside a number of other functions that currently sit within other directorates, with a view to identifying the most effective and efficient structure and management arrangements for the Council to strengthen its corporate enabling services and to provide support to the Chief Executive.
- 3.17 The proposed job description for the Director of Finance role is set out in Appendix One.

Regeneration and Place

- 3.18 The Director of Regeneration and Place has resigned and will be leaving the Council in September 2022.
- 3.19 The delivery of the Council's regeneration agenda is one of the Council's biggest priorities. The Regeneration and Place Directorate is responsible for multiple programmes and projects that are in progress or planned to deliver the regeneration of the borough and the objectives in the draft Local Plan. The borough is now leading one of the largest regeneration programmes in the country focusing on the Left Bank of the River Mersey. Major developments currently in development include Wirral Waters including Tower Road, Urban Splash, and the Maritime Knowledge Hub, with nearby children's museum Eureka, plus Woodside market and the Birkenhead Commercial District. The Council has been successful in securing unprecedented levels of national, regional, private and public investment to deliver its ambitious plans. It is imperative that the Council has the capability and capacity now to maximise the opportunities that we have created and ensure that we are a capable, professional and enabling partner in the commercial and other relationships we have established.
- 3.20 Given the significance of the Council's plans in this area, the role of Director of Regeneration and Place will be widely advertised to ensure that there is leadership capability and capacity to deliver the Council's plans.

- 3.21 The job description for this role is attached at Appendix Two.
- 3.22 The Chief Executive has agreed that the Council's Chief Regeneration Officer acts up to the post of Director of Regeneration and Place whilst the recruitment process is undertaken.

Law and Governance

- 3.23 The Director of Law and Governance has resigned and will be leaving the Council in September 2022. This role includes the statutory Monitoring Officer role.
- 3.24 It is proposed that this role is recruited to on an interim basis whilst the recruitment process is undertaken. We are currently assessing options for this.
- 3.25 There will be a review of the functions within Law and Governance Directorate as part of the wider review of corporate capacity.
- 3.26 The role of Director of Law and Governance is currently graded at D1 in the Council's structure. It is proposed that the post is advertised with the broader range of D1 and D2 to enable greater flexibility when considering the future structure for this work area and also taking into account the relevant experience of potential candidates.
- 3.27 The job description for this role is attached at Appendix Three. It is proposed that the recruitment for this role commences in August 2022.

Adult Care & Public Health

Director of Public Health

- 3.28 Earlier this year, the Director of Public Health notified the council of her intention to retire in September 2022. The role was advertised in June, closing on 3 July 2022. Seven applications for this role were received.
- 3.29 Two candidates were shortlisted for the final stages of the process which includes an Advisory Appointments Committee (AAC panel) The AAC Panel is a formal requirement for the appointment of a Director of Public Health and includes representatives from the Office of Health Improvement and Disparities (OHID) and also the Faculty of Public Health.
- 3.30 Members of the Senior Staffing and Officer Appointments Committee were invited to participate in the interviews and the outcome will be formally reported to the committee meeting on 28 July 2022.

Recruitment

- 3.31 All of the above Director roles will be Elected Member appointments through the Senior Officer and Appointments Staffing Sub-Committee with the relevant Policy Committee Chair also invited to participate.

- 3.32 The Council's Human Resources/Organisational Development (HR/OD) Team will manage the process in-house and develop an attraction campaign for each role. As Members would expect, this will include advertising as widely as possible through sector specific publications, professional bodies, national media and websites and social media.
- 3.33 The recruitment process will include longlist, shortlist, stakeholder and peer panels as appropriate for each post, followed by final panel interview.
- 3.34 Whilst the Council's HR/OD Team can manage these recruitment process within existing resources, it is proposed to procure external support for the recruitment 'search' element of the process. This is standard for posts at this level and goes over and above the steps taken to advertise roles set out in 3.32 through headhunting and speaking directly with potential candidates working elsewhere who are in the job market.
- 3.35 In accordance with Council's Pay Policy, Full Council will approve the appointment to the Section 151 Officer (also known as Chief Finance Officer) and Monitoring Officer once the recruitment processes have been completed.
- 3.36 The proposed timetable for all three director posts is set out at Appendix Four.

Deputy Chief Officer roles

- 3.37 There are currently several vacancies, interim and temporary arrangements in place across the Council at Assistant Director level.
- 3.38 As set out above reviews are ongoing in a variety of work areas. A number of Assistant Director roles will be recruited to in the coming months.
- 3.39 The appointment of all Chief Officers has previously been made by Elected Members as part of the constitutional arrangements via the Employment and Appointments Committee and more recently the Senior Officer and Appointments Staffing Sub-Committee.
- 3.40 In May 2022, Council agreed changes to the Constitution which delegated the responsibility for appointment of Deputy Chief Officers (Assistant Director level roles) to the Head of Paid Service.
- 3.41 It is recognised that the Assistant Director level role remain a key one for Elected Members in relation to their leadership of council services and functions, attendance at committees and the advice provided to Members. It is important that, whilst no longer directly involved in the recruitment process, relationships with new Assistant Directors and Elected Members need to be established and maintained.
- 3.42 In view of this, Directors will make specific arrangements to engage with Members in relation to recruitment plans and appointments that have been made and will take specific steps to integrate new Assistant Directors with Members and committees as part of the onboarding and induction processes.

- 3.43 The Chief Executive will continue to provide details of the Chief Officer structure, roles and responsibilities including Assistant Director posts, to this committee as required.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The creation of a new Director of Finance post will represent growth of £165,000 budgeted at the top of grade and including employer on-costs.
- 4.2 This can be met within existing resources for the current financial year given that costs will only be incurred for the final quarter and the cost of the engagement of the interim Director of Finance will cease once the post is filled.
- 4.3 It is proposed that the post will be funded by savings from across the wider senior management and chief officer structure when the full restructure work is completed. However, if savings cannot be identified to meet the full cost of the post then there will be a requirement for growth in the Council 23/24 budget.

5.0 LEGAL IMPLICATIONS

- 5.1 The Council will ensure that all recruitment complies with relevant employment law and policy and procedures.
- 5.2 Section 7 of the Local Govt and Housing Act 1989 requires that all local authority staff are to be appointed on merit. Part 4 section 7 of the Council's Constitution, the Officer Employment Procedure Rules, sets out the process of appointment for chief and deputy chief officers.
- 5.2.1 Section 151 of the Local Government Act 1972 requires every relevant authority to designate one of its officers as the Chief Finance Officer and Section 5 of the Local Government and Housing Act 1989 requires every relevant authority to designate one of its officers as the Monitoring Officer. Article 12 of the Council's Constitution defines the functions and duties of the Monitoring Officer and the Chief Finance (s151) Officer.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 The recruitment activity detailed within this report will be met within existing budgets and be delivered within existing resources.
- 6.2 The Council will engage with Executive Search consultants to undertake search activity for the Director roles. This will be done via a competitive process and will be paid for by the relevant directorate from salary budgets.

7.0 RELEVANT RISKS

- 7.1 There are risks to the Council if it does not have the appropriate capacity and capability within the Senior Leadership Team to deliver our plans. The proposals set out in the report are intended to retain stability at the top of the organisation.
- 7.2 There are always risks arising from the recruitment process and the job market is very competitive as this time. The Council HR Team will ensure that the jobs are advertised to as wide an audience as possible and will engage with search consultants to promote the opportunities to potential candidates.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 There has been informal consultation with the Director of Resources in relation to the creation of the Director of Finance post. Further consultation will be required in relation to the Director of Resources following the further work referenced in paragraph 3.13 above.
- 8.2 Trade Unions have been informed of the content of the report.

9.0 EQUALITY IMPLICATIONS

- 9.1 The Council will ensure that the recruitment process is fair and undertaken in accordance with policies and procedures in relation to equality.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 The content and recommendations contained within this report are expected to have no impact on emissions of greenhouse gases.
- 10.2 As with all senior leadership roles, postholders will be expected to sign up to and actively promote the Council's approach in relation to climate change.

11.0 COMMUNITY WEALTH BUILDING IMPLICATIONS

- 11.1 There are no community wealth building implications arising from this report.

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APPENDICES

Appendix 1	Director of Finance Job Description
Appendix 2	Director of Regeneration and Place Job Description
Appendix 3	Director of Law and Governance Job Description
Appendix 4	Recruitment Timetable
Appendix 5	Chief Officer Pay Scales
Appendix 6	Current Chief Officer structure
Appendix 7	Exempt appendix

BACKGROUND PAPERS

Governance Report – External Assurance Review

Finance Report– External Assurance Review

Response to Recommendations in External Assurance Review

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Employment and Appointments Committee	26 November 2020
Employment and Appointments Committee	3 March 2020
Employment and Appointments Committee	5 March 2019