

AGENDA

Employment Panel

Date: **Wednesday 11 September 2013**

Time: **2.00 pm**

Place: **Council Chamber, Brockington**

Notes: Please note the **time, date** and **venue** of the meeting.

For any further information please contact:

Sally Cole, Governance Services

Tel: 01432 260249

Email: scole@herefordshire.gov.uk

If you would like help to understand this document, or would like it in another format or language, please call Sally Cole, Governance Services on 01432 260249 or e-mail scole@herefordshire.gov.uk in advance of the meeting.

Agenda for the Meeting of the Employment Panel

Membership

**Councillor WLS Bowen
Councillor KS Guthrie
Councillor MAF Hubbard
Councillor AW Johnson
Councillor PD Price**

AGENDA

	Pages
1. CHAIRMAN To elect a Chairman.	
2. APOLOGIES FOR ABSENCE To receive any apologies for absence.	
3. NAMED SUBSTITUTES (IF ANY) To receive details of any Member nominated to attend the meeting in place of a Member of the Panel.	
4. DECLARATIONS OF INTEREST To receive any declarations of interest by Members in respect of items on this agenda.	
5. CHIEF FINANCE OFFICER & SECTION 151 OFFICER DESIGNATION To: <ul style="list-style-type: none">• agree the terms and conditions for the Chief Officer Finance role enabling the permanent recruitment & selection process to commence;• appoint the interim Chief Officer Finance; and• recommend to Council that the Chief Officer Finance be designated as the authority's Section 151 Officer	5 - 12



MEETING:	EMPLOYMENT PANEL
MEETING DATE:	11 SEPTEMBER 2013
TITLE OF REPORT:	CHIEF FINANCE OFFICER & SECTION 151 OFFICER DESIGNATION
REPORT BY:	PROGRAMME ASSISTANT DIRECTOR, ORGANISATIONAL DEVELOPMENT

1. Classification

Open

2. Key Decision

This is not an executive decision.

3. Wards Affected

County-wide

4. Purpose

To:

- agree the terms and conditions for the Chief Officer Finance role enabling the permanent recruitment & selection process to commence;
- appoint the interim Chief Officer Finance; and
- recommend to Council that the Chief Officer Finance be designated as the authority's Section 151 Officer

5. Recommendation(s)

THAT:

- (a) the attached role profile for the post of Chief Officer Finance be agreed with all other terms and conditions associated with this post remaining the same; and
- (b) Peter Robinson be appointed as interim Chief Officer Finance; and
- (c) a recommendation be made to Council to designate the person holding the post of Chief Officer Finance as Section 151 Officer for Herefordshire Council, and to authorise the Monitoring Officer to make any consequential amendments to the Constitution as are necessary.

6. Alternative Options

- 6.1 It is a statutory requirement that the council employs a Section 151 Officer. Whilst it is open to Council to designate this function to another post (excluding the

Further information on the subject of this Report is available from
Jenny Lewis, Programme Assistant Director Organisational Development on Tel (01432) 261855

Monitoring Officer), given the council's critical financial position it is vital that the council has an experienced Chief Officer Finance in position to lead what will be a challenging budget setting process and handle on-going budget management processes. Appointment of an experienced interim for a period of up to 6-7 months whilst the process of recruiting permanently is progressed is required

7. Reasons for Recommendations

- 7.1 To ensure effective leadership of the council's budget planning process and on-going financial management.

8. Key Considerations

- 8.1 The council's Chief Officer (Finance and Commercial Services) is leaving the organisation at the end of September 2013 to take up a post with another authority. He also holds the statutory role of Section 151 Officer. Members of the Employment Panel received a briefing on the proposed process for managing this change on 6 August 2013.
- 8.2 The statutory role of Section 151 Officer must be performed by a council officer. The non-statutory role (in effect the Director of Finance role) can be performed through a contract for services.
- 8.3 Given the statutory requirement to ensure that an employee performs the role of the Section 151 Officer together with the council's critical financial position and consequent need for experienced leadership of the budget planning process over the coming months, the council cannot afford a gap and needs therefore to recruit an experienced interim to fulfil this role until a permanent appointment can be made. In this situation the CIPFA Guidance contemplates a scenario where a Director of Finance/Section 151 Officer is paid via a contract for services for 80% of their time (for their non-statutory work) and via a contract of employment for the remaining 20% (for their Section 151 Officer statutory work).
- 8.4 Under Part 3 of the council's Constitution, the 'Duty to designate officers as the Monitoring Officer and the Section 151 Officer is reserved to Full Council'. Under the council's Employment Rules (para 4.9.3.7) appointment of a Statutory Chief Officer is to be made by the Employment Panel, which also approves the Terms and Conditions of Employment. As this post holder (in the statutory Section 151 role) will have a direct reporting line to the Chief Executive, the appointment should be by the Employment Panel, with onward referral to Council for formal designation as the council's Section 151 Officer.

Recruitment & Selection to permanent position

- 8.5 The current post holder Chief Officer Finance and Commercial has resigned in order to take up a new role with another authority and will leave the Council at the end of September 2013. In the recent senior team restructure communicated with the Employment Panel on the 23rd July 2013 the day to day line management of this post was moved to Director Economy, Communities and Corporate with a direct line of accountability into the Chief Executive on all substantial matters of financial management control. It is proposed to change the scope of this role to Chief Officer Finance resulting in those aspects of the role relating to procurement and property management being picked up by others within the directorate. All other terms and conditions remain the same.

A role profile outlining the responsibilities for this post is attached at Appendix 1.

8.6 The timeline for managing the recruitment & selection process is outlined below:

Commence recruitment and selection process for permanent Chief Officer Finance. - Agree Terms & Conditions	Mid Sept 2013	Employment Panel
Advertisement	End Sept 2013	Employment Panel
Longlisting	End Oct 2013	Employment Panel
Shortlisting	Early Nov 2013	Employment Panel
Interviews	Mid Nov 2013	Employment Panel
Appointment	Mid Nov 2013	Employment Panel
Successful candidate commences in post	Jan-April 2014	

Given the importance of this role to the Council's on-going financial performance it is envisaged that several recruitment agencies will be asked to support the recruitment & selection process. The cost of this will be capped at a maximum £25k.

Interim Chief Officer Finance

- 8.7 Further to the briefing paper sent to members of the Employment Panel on the 6 August 2013, the process for selecting an interim Chief Officer Finance has concluded and a successful candidate has been identified. The selection panel comprised the Deputy Leader of the Council, Chief Executive, Director Economy, Communities and Corporate, HR and an external technical assessor.
- 8.8 Whilst there were two appointable candidates, Peter Robinson significantly outperformed the rest of the field. Peter is currently working as the Director Finance (s.151 officer) for Bristol City Council and has a number year's financial experience working in Local Government.
- 8.9 Although the aim was to continue to operate within the available budget created by the Chief Officer (Finance & Commercial) vacancy it has not been possible to cover all costs associated with a five day a week interim arrangement. The interim arrangement will incur additional costs of £27k for the remainder of 2013/14 which include the agents' costs. This will create a cost pressure in the Economy, Community and Corporate Directorate budget.
- 8.10 Employment Panel are asked to appoint Peter Robinson as interim Chief Officer Finance (effective from the departure of the present post holder) and recommend to Council that the person holding the post of Chief Officer Finance be designated as the authority's Section 151 Officer.

9. Community Impact

- 9.1 Working with the council's Management Board, this role will ensure that the council's directorates and services are supported to meet the challenges imposed by financial reductions which, without change, would be more likely to result in less effective service delivery in future.

10. Equality and Human Rights

The recommendations in this report and recruitment & selection process take full account of this legislation.

11. Financial Implications

11.1 There are additional costs associated with the interim arrangement of circa £27k. There are however other potential changes in the finance structure which may go some way to mitigate this cost. A maximum cap of £25k is proposed to support the recruitment and selection process of the permanent Chief Officer Finance.

11.2 The additional cost of the proposal creates a cost pressure currently not included in the budget. Financial regulations require that the proposal is funded in order for it to be agreed. Therefore the additional costs are to be met from underspends against individual corporate and directorate budgets. Budget transfers will take place to reflect the estimated cost.

12. Legal Implications

12.1 Section 151 of the Local Government Act 1972 requires all local authorities to 'make arrangements for the proper administration of their financial affairs' and to 'secure that one of their officers has responsibility for the administration of those affairs.'

13. Risk Management

13.1 The risks of not being able to successfully recruit to the permanent role are being considered and mitigating actions built into the recruitment & selection approach.

14. Consultees

14.1 The views of the council's external auditors have been sought regarding the arrangements proposed to ensure continuity of robust Section 151 Officer arrangements, and the proposals have been supported.

15. Appendices

15.1 Appendix 1 – Proposed Role Profile

16. Background Papers

16.1 None identified.

BRIEF

Chief Officer Finance appointment

Introduction

The current post holder Chief Officer Finance and Commercial has resigned and will leave the Council at the end of September 2013. In the recent senior team restructure communicated with the Employment Panel on the 23rd July 2013 the day to day line management of this post was moved to Director Economy, Communities and Corporate with a direct line of accountability into the Chief Executive on all substantial matters of financial management control.

It is proposed to change the scope of this role to Chief Officer Finance resulting in the aspects of the role relating to procurement and property management being picked up by others within the directorate.

It is the intention to appoint to this role permanently, however given the Council's critical financial position it is vital that the council has an experienced Chief Officer Finance in position to lead what will be a challenging budget setting process. It is proposed therefore to appoint an experienced interim for a period of up to 6-7 months whilst the process of recruiting permanently is progressed. Ideally the person appointed will commence work before the current post holder leaves the Council. This will enable an effective transfer of knowledge, which is important, notwithstanding the financial implication of an overlap.

Interim Chief Officer Finance responsibilities

Herefordshire Council is looking for a highly competent, experienced and motivated Chief Finance Officer. Someone who can join the team, hit the ground running as an interim, with no time to get to know the business. The role is likely to be around 6 – 7 months, operating over a critical period. The role needs to;

- Lead the development of the whole Authority budget process against a background of organizational underperformance and the need to make further significant savings. Critical analysis of budget, spend, benchmarking and modeling demand/cost trajectories is required to inform the plan which must be integrated with the overall corporate planning cycle and evidence base.
- Working with Cabinet, the AD Organizational Development and Management Board to lead the developed of the medium term financial plan ensuring the allocation of resources to deliver the councils priorities. These will enable the Authority to prepare for future financial constraint in a measured way while focusing on priorities.
- Working with Cabinet, AD Organizational Development and Management Board to deliver solutions that take account of current performance, the councils transformation programme, avoiding where ever possible short term damaging decisions whilst balancing this with the need to stabilize the organizations financial position.
- Holding directors and senior managers to account for delivery against financial plans
- Review the current and longer term arrangement with Hoople Ltd ensuring financial systems spanning Council and Hoople Ltd are Lean and effective which may lead to changes to the operational model.
- Lead the re-commissioning of Financial and Revenues & Benefits Services from Hoople Ltd working as part of the team responsible for describing the minimum business support requirement thereby reducing spend in this contract area from circa £6M to £4M wef 1.4.13

- Functional line reporting into Director Economy, Communities & Corporate.
- Dotted line to CEx on substantive financial issues/ reports.
- Management of Finance team.
- Good knowledge of Revenues and Benefits is desirable given that all subject matter expertise is currently held within Hoople Ltd; the councils provider partner for corporate support services.
- Responsible for internal audit and liaison with the external auditor
- The successful candidate will be the Council's Section 151 Officer, so **must** be 'a member of an accountancy body recognised by the International Federation of Accountants (IFAC), qualified through examination, and subject to oversight by a professional body that upholds professional standards and exercises disciplinary powers.'

Process & Timeline

The Councils Chief Officer (Finance and Commercial Services) is leaving the organisation at the end of September 2013. He also holds the statutory role of Section 151 Officer

The CIPFA Guidance recommends that the Section 151 Officer 'report directly to the Chief Executive and be a member of the Leadership Team, with a status at least equivalent to other members.'

The statutory role of Section 151 Officer must be performed by a Council officer. The non-statutory role (in effect the Director of Finance role) could be performed through a contract for services. The CIPFA Guidance contemplates a scenario where a Director of Finance/s.151 Officer is paid via a contract for services for 80% of his time (for his non-statutory work) and via a contract of employment for the remaining 20% of his time (for his s.151 Officer statutory work).

Under Part 3 of the Councils Constitution, the 'Duty to designate officers as the Monitoring Officer and the s.151 Officer is reserved to Full Council.

Under the Council's Employment Rules (para 4.9.3.7) appointment of a Statutory Chief Officer is to be made by the Employment Panel, which also approves the Terms and Conditions of Employment.

As this post holder (in the statutory s.151 role) will have a dotted reporting line direct to the Chief Executive, the appointment should be by the Employment Panel, with onward referral to Council for formal designation as the Council's s.151 Officer.

Therefore, in order to secure the best possible person to this interim role prior to the Chief Officer (Finance & Commercial Services) leaving it is proposed to;

Agree brief for the role, budget and appointment process	2 August 2013	Leader, Chief Executive, Director Economy, Communities and Corporate, Programme AD; Organisational Development
Check proposed approach with Council External Auditors	2 August 2013	Programme AD; Organisational Development
Inform Group Leaders and Employment Panel members of the brief, appointment process and the action to remove procurement and property services from the role Chief Officer Finance role	w/c 5 August 2013	Chief Executive Leader
Rigorous selection process for interim	20 th or 23 rd	Leader, Chief Executive, Director

consultant/Chief Officer Finance designate. CX decision.	August 2013	Economy, Communities and Corporate
Employment Panel agree T&Cs for permanent Chief Officer Finance role and appoint the interim as Chief Officer Finance (effective from the departure of the present post holder) and recommend to Council that s/he be designated as the authority's s151 officer	By 11 th Sept 2013 (papers due 3.9.13)	Employment Panel
Council designate the successful interim as the authority's s151 Officer	27 th Sept 2013 (papers due 13.9.13)	Council
Commence recruitment and selection process for permanent Chief Officer Finance. - Agree brief and role profile - Appointment process	Mid/late Sept 2013	Employment Panel
Advertisement	End Sept 2013	Employment Panel
Longlisting	End Oct 2013	Employment Panel
Shortlisting	Early Nov 2013	Employment Panel
Interviews	Mid Nov 2013	Employment Panel
Appointment	Mid Nov 2013	Employment Panel
Council designate the successful candidate as the authority's s151 Officer	13 Dec 2013	Council
Successful candidate commences in post	Jan-April 2014*	

* Depending on notice period, if applicable.

Financial Implications

The aim will be to operate within the budget available created by the Chief Officer (Finance & Commercial) vacancy. It is unlikely however that all costs for an interim will be contained within this costs envelope. It is anticipated that the interim arrangement will incur additional costs of £20k for the remainder of 2013/14 which include the costs of recruitment.

Permanent appoint to the role will be contained within the grade and salary arrangements for the existing Chief Officer (Finance and Commercial) role. It is likely that there will be a recruitment cost however this is not yet known; the recruitment process and costs will be agreed with the Employment Panel.

Author; Jenny Lewis

Programme AD – Organisational Development

2 August 2013

