

REPORT TO:	APPOINTMENTS COMMITTEE 06 September 2016
AGENDA ITEM:	5
SUBJECT:	APPOINTMENT TO EXECUTIVE DIRECTOR OF RESOURCES
LEAD OFFICER:	Director of Human Resources
CABINET MEMBER:	Leader, Councillor Tony Newman
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT: The Council's management structure	
FINANCIAL SUMMARY: The salary cost of this post is contained within the 2016/17 budget.	
KEY DECISION REFERENCE NO: n/a	

1. RECOMMENDATIONS

- 1.1 Agree the salary package of the Executive Director (Resources) of £150,000 per annum under section 40 of the Localism Act 2011.
- 1.2 Undertake the selection for, and agree an appointment to, the post of Executive Director (Resources) subject to the appointment notification process as set out in section 3.4 of part 4J of the Council's Constitution (Staff Employment Procedure Rules).
- 1.3 Note that this report is being reported to the Committee under section 40 of the Localism Act 2011

2. EXECUTIVE SUMMARY

- 2.1. This report seeks the Committee's approval to undertake the selection for the post of Executive Director of Resources.

3. DETAIL

Background

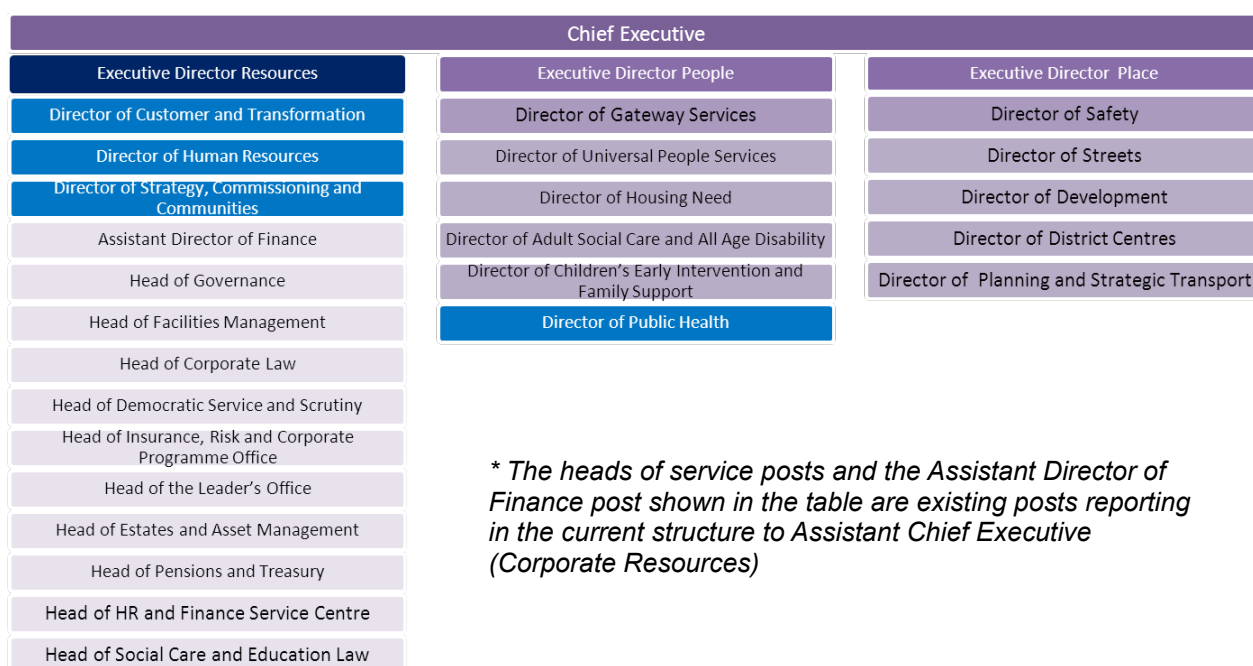
- 3.1. The Chief Executive and Head of Paid Services was appointed on a substantive basis with effect from 19 July 2016. Between 25 July 2016 and 25 August 2016 consultation took place with affected post holders to amend the tier 1 structure and:
 - Create a new Executive Director of Resources post

- Delete the Assistant Chief Executive (Corporate Resources) post
- Amend and retitle the Assistant Chief Executive (Customer and Transformation) post
- Amend the responsibilities slightly of the Chief Executive (so there is no direct line management responsibility for Resources Department functions)
- Amend the line management of: (a) Director of Customer and Transformation (retitled) (b) Director of Strategy, Commissioning and Communities (c) Director of Human Resources (d) Director of Public Health (see below)

Tier 1 Current Structure



Tier 1 Proposed Structure *



* The heads of service posts and the Assistant Director of Finance post shown in the table are existing posts reporting in the current structure to Assistant Chief Executive (Corporate Resources)

- 3.2 The deleted Assistant Chief Executive (Corporate Resources) post is a 50-80% job match to the newly created Executive Director of Resources post and the postholder is entitled therefore to be considered on a ring fenced basis for the role in accordance with the Council's Reorganisation Policy. The newly created post will subsume responsibility for the proper administration of the Council's financial affairs under section 151 of the Local Government Act 1972.

Localism Act 2011

- 3.3 Following the decision of the Annual Council meeting on 03 June 2014, the Appointments Committee has delegated responsibility for approving appointments in accordance with the threshold specified in statutory guidance issued by the Secretary of State under section 40 of the Localism Act 2011. The statutory guidance is that elected Members should be given an opportunity to vote before: salary packages upon appointment at or above a specified threshold are offered; and severance packages at or beyond a specified threshold are approved for staff leaving the Council's employment. For both these purposes, the specified threshold is currently £100,000 as set by Government

Pay Policy

- 3.4 Under the Council's pay arrangements the post of Executive Director of Resources Service would be graded at a level in accordance with section 40 of the Localism Act 2011 and therefore a decision is required to appoint at this pay level.
- 3.5 The pay and grading arrangements for chief officers (tier 1 posts) moved to fixed pay points in 2015 (to be reviewed next year, April 2017); and the Council's pay policy from April 2016 was agreed by a meeting of the Council on 29 February 2016 and Cabinet 22 February 2016. The pay for tier 1 posts within the Council no longer increases with the cost of living pay increases agreed for Chief Officer nationally and these salaries are now spot salary arrangements for the organisation.
- 3.6 The fixed pay point for Executive Directors is established in the Council's pay policy is £150,000 per annum and it is proposed to make the appointment at this level. Salary data from the London Council's pay survey 2015 indicate that £150,000 per annum is appropriate to attract the calibre of candidates for this role within the context of the borough's opportunities and challenges.

4 FINANCIAL AND RISK CONSIDERATIONS

4.1 Revenue and Capital consequences of report recommendations

		Current year	Future Years		
		2016/17	2017/18	2018/19	2019/20
		£'000	£'000	£'000	£'000
Revenue Budget available					
- Current post holder	143,750				
- Future budget			150,000	150,000	150,000

Effect of decision from report

Salary costs – full year	150,000	150,000	150,000	150,000
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Overspend / (underspend) – for a full year appointment

6,250	0	0	0
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4.2 The effect of the decision

The increased salary costs of £6,250 per annum arising from this decision can be met from the existing 2016/17 budget. A post holder was deleted at Director Level as part of the Voluntary Severance scheme that was not factored into the 2016/17 budget and therefore this saving will be used to fund the salary increase arising from this appointment

4.3 Risks

There is a risk of being unable to retain the right calibre of person to this role if the salary is not comparable to the market.

4.4 Options

The alternative option of not filling the role; and for not making provision to within the parameters of the Council's agreed Pay Policy Statement 2016-17 is not considered a sustainable or viable option as explained in paragraph 4.3 above.

4.5 Future savings/efficiencies

None identified.

Approved by: Lisa Taylor – Assistant Director of Finance and Deputy S151 Officer

5 COMMENTS OF THE ACTING COUNCIL SOLICITOR AND ACTING MONITORING OFFICER

5.1 The Council may appoint such staff as it considers necessary for the proper discharge of its functions on such reasonable terms and conditions, including remuneration, as the Council thinks fit.

5.2 Where the appointment of a Chief Officer is concerned the Council's constitution provides that such appointment is normally carried out by the Appointments Committee. This is dealt with under the Council's Staff Employment Procedure Rules at Part 4.J of the Constitution. Provision is also made under Part 4.J for a notification process to ensure that the Leader and any other Cabinet Members have no objections to the offer of appointment occurs before an offer of appointment is made to him/her.

5.3 The recommendations set out in this report are within the authority of the Appointments Committee.

Approved by Jacqueline Harris-Baker, Acting Council Solicitor and Acting Monitoring Officer.

6 CUSTOMER, EQUALITIES, HUMAN RIGHTS, FREEDOM OF INFORMATION, DATA PROTECTION CRIME AND DISORDER IMPACT

6.1 There are no direct considerations arising from this report.

CONTACT OFFICER: Heather Daley, Director of Human Resources

BACKGROUND DOCUMENTS: None