

<b>GENERAL PURPOSES COMMITTEE</b>	<b>DATE</b> 2 April 2019
<b>TITLE</b> Establishment of Appointments Panel – Director of Finance	<b>ITEM NO:</b> 10
<b>LEAD OFFICER</b> Chief Executive	<b>CABINET MEMBER</b> Finance and Resources

## 1. **Decision required**

This report makes the following recommendations to the decision-maker:

- 1.1 To agree to a salary range of £130,063 to £140,468 for the post of Director of Finance (Chief Officer Grade A) in accordance with the Council's Pay Policy Statement.
- 1.2 To note that the Chief Executive has delegated authority to establish, in consultation with the Party Group Leaders, individual Appointment Panels for the appointment of Chief Officers based on the requirements of the post.

## 2 **Links to the Royal Greenwich Strategy**

- 2.1 This appointment will support the Council's objectives in a number of areas and relates to the following high-level objectives contained within the Royal Greenwich Strategy:
  - Continue to achieve excellence and good governance in the management of public finances
  - A Great Place to Grow Up
  - Delivering Homes Through Economic Growth
  - Economic Prosperity for All
  - A Great Place to Be
  - A Strong Vibrant and Well-run Borough

## 3 **Introduction and Background**

- 3.1 The Director of Finance has been appointed to the role of Chief Executive, leaving their post vacant. This therefore requires the appointment of a new Chief Financial Officer (\$151). Further, the resignation of the Deputy Director of Corporate Resources, who reported to the Director of Finance, has presented an opportunity for the reorganisation of the senior leadership roles of the organisation.
- 3.2 The council is required to have a Chief Financial Officer. Further, with the impending spending review, the work to design and implement a new Medium-Term Financial strategy, the restructuring of the Finance and Communities and Environment Directorates creates a focused financial services department, led by the Director of Finance.
- 3.3 The appointment of a new Chief Officer has additional on-costs of NI and pension contributions. Therefore, for budgeting purposes, the cost of the post is as Table I below.

<b>Band</b>	<b>Point</b>	<b>Inc.</b>	<b>Basic</b>	<b>Super</b>	<b>NI</b>	<b>Total</b>
<b>A - Director</b>	15	3	140,460	25,990	18,220	184,670
	14	2	135,260	25,020	17,500	177,780
	13	1	130,060	24,060	16,790	170,910

Table I: Chief Officer Pay Table 2018-2019 – Band A - Director

#### **4 Chief Officer appointment process**

- 4.1 The Chief Officer appointment process is detailed in the Officer Appointments Procedures in Part 4 section H in the Council's Constitution, and is set out in below.
- 4.2 Section 38 (1) of the Localism Act 2011 requires local authorities to produce a pay policy statement for each financial year which must set out the authority's policies for the financial year relating to:
- (a) the remuneration of its chief officers,
  - (b) the remuneration of its lowest-paid employees, and

(c) the relationship between (i) the remuneration of its chief officers, and (ii) the remuneration of its employees who are not chief officers.

- 4.3 The Statement must include the Authority's policies relating to:
- (a) the level and elements of remuneration for each chief officer,
  - (b) remuneration of chief officers on recruitment,
  - (c) increases and additions to remuneration for each chief officer,
  - (d) the use of performance-related pay for chief officers,
  - (e) the use of bonuses for chief officers,
  - (f) the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and
  - (g) the publication of and access to information relating to remuneration of chief officers.
- 4.4 The last Statement was approved by full Council on 26 July 2018. All decisions on pay and reward for chief officers must comply with the current Pay Policy Statement and section 42 of the Localism Act states that they cannot be the responsibility of an executive of the authority under executive arrangements.
- 4.5 Section 40 of the Localism Act includes provision for the Secretary of State to issue guidance on the content and application of pay policy statements. Councils must have regard to this guidance in the exercise of their functions under the pay policy provisions. Initial Guidance under section 40 has been published and this was supplemented by further Guidance in February 2013. The Guidance is statutory guidance, and although it is not law, it is not mere advice, and the Council must consider it carefully and have cogent reasons if it wishes to depart from it. Failure to do so may result in any decision being challenged.
- 4.6 The Guidance advises that full Council should be given the opportunity to vote before salaries or severance payments of £100,000 or more are agreed. However, as section 41 says that in making a decision which relates to the remuneration of or other terms and conditions applying to a chief officer, the Council must comply with its pay policy statement for the

financial year. Full Council concluded that, having careful regard to the Guidance, a sensible approach is as set out below:

- (a) Full Council agrees the overall pay banding for the Council's chief officer structure which includes all posts with remuneration of £100,000 or over and also agrees specific severance packages of £100,000 and over (not including contractual obligations).
- (b) General Purposes Committee agrees the salary level for a post with a remuneration of £100,000 or over in relation to a specific appointment.

4.7 Chief Officers are on a single point salary with scope to be placed on 2 further points in exceptional circumstances. The criteria for further points are:

- the scale of the agenda/programme/projects being undertaken in addition to the management of a directorate, including the size and scope and impact of their achievement
- the delivery of significant service improvements in the areas managed measured by performance indicators
- the contribution to and impact on the organisation as a whole in terms of service development and improvement
- under exceptional circumstances to provide a retention package

4.8 The terms of reference of this committee include agreeing the salary level for posts with a remuneration of £100,000 or over in relation to a specific appointment. Committee is therefore asked to agree the salaries for:

- the post Director of Finance, at the lowest salary point for Director Grade A. The intention is to appoint at bottom of grade but discretion is sought to appoint up to top of grade if necessary to secure a suitable appointment.

## **5 Appointment Process**

- 5.1 The Officer Employment Procedures authorise the Chief Executive to establish, in consultation with the Party Group Leaders, individual Appointments Panels based on the requirements of the post; and appoint, in consultation with the Leader and Party Whips, Members to Appointment Panel.
- 5.2 The Appointment Panel will undertake all stages in respect of the appointment of Chief Officers and Deputy Chief Officers in accordance with the Council's Officer Employment Procedures.
- 5.3 Consultation with Cabinet will take place before any final offer of appointment is made.

## **6 Available Option**

- 6.1 To appoint to the position of Director of Finance on a permanent basis or to seek to make interim arrangements following the resignation of the Acting Director of Finance

## **7 Preferred Option**

- 7.1 To appoint to the position on a permanent basis.

## **8 Reasons for Recommendation**

- 8.1 To provide stability to the organisation, ensuring the council has the required, appropriately qualified Chief Financial Officer.

## 9 Cross Cutting Issues and Implications

Issue	Implications	Sign-off
<b>Legal</b> including Human Right Act	The report raises no legal issues. Part 3 of the Councils constitution provides that General Purposes Committee is responsible for agreeing the salary level for posts with a remuneration of £100,000 or more in relation to a specific appointment.	Azuka Onuorah Deputy Head of Legal Services 18 <sup>th</sup> March 2019
<b>Finance</b> and resources including procurement implications	The Chief Executive is asked to agree to a salary range of £130,063 to £140,468 for the post of Director of Finance, Chief Officer Grade A in accordance with the Councils Pay Policy Statement.  The funding of this post will be met from existing budgets within Finance Directorate Departmental Management Team.	Kim Sullivan Head of Accountancy and Business Change 18 <sup>th</sup> March 2019
<b>Equalities</b>	The recruitment will be undertaken in line with the RBG Chief Officer Recruitment procedure.	Sarah Thompson Agency and Recruitment Manager 18 <sup>th</sup> March 2019
<b>Staffing Establishment</b>	Existing role within the establishment	Sarah Thompson Agency and Recruitment Manager 18 <sup>th</sup> March 2019

## 10 Background Papers

### 10.1 Job Description and Person Specification.

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## ROYAL BOROUGH OF GREENWICH JOB DESCRIPTION

**DIRECTORATE:** Finance and Legal Services

**SECTION:** Finance

**GRADE:**

**JOB TITLE:** Director of Finance

**REPORTING TO:** Chief Executive

### **Job Purpose**

Effective contribution to the corporate management of the Council and delivery of sound financial services, systems and strategies for the Council and its Trading companies. Optimise use of financial resources to improve performance, value for money, sound financial stewardship and the management of an efficient finance function that meets the statutory requirements of the Council's designated S.151 Officer, ensuring effective risk management and value for money.

### **Job Outcomes**

1. As part of the Council's management team, promote effective corporate decision making, effective governance, contribute to the formulation of corporate policies and initiatives and lead on appropriate collaborative, cross departmental initiatives.
2. The delivery of sustainable financial strategies over a range of timescales to support service and investment plans.

3. The delivery of sustainable budgets, budgetary control and the optimisation of performance under relevant audit and inspection regimes.
4. Effective management and optimal performance in benefits, revenues and exchequer activities.
5. Effective provision of advice and information to the Leader, Cabinet, members and officers to enable the Council to identify strategic option, develop policy and make effective financial decisions.
6. Proper management and sound stewardship of all the Council's financial affairs, acting as head of profession for professional finance staff across the authority and carrying out the statutory functions of the Council's designated S.151 Officer.
7. Effective contribution and support to the modernisation of the Council's services, securing value for money and improving the quality and efficiency of services, including partnership with other agencies.
8. Effective contribution and co-ordination of bids and funding to all financial aspects of grants, bids and tenders.
9. In a multi-billion pound organisation deliver effective risk management and value for money through efficient and effective corporate finance functions of a.
10. Identify needs of internal customers and shape service delivery accordingly.
11. Manage the directorate's budget in accordance with the Council's standing orders and financial regulations, obtaining value for money and maximisation of income where applicable.
12. Developing staff to achieve high performance, including professional development and ensuring that equal opportunities and customer care considerations are integrated into all aspects of the Directorate's operations.
13. Act as an ambassador for the borough, promoting and developing the Council's image, forming robust strategic alliances and developing

effective working relations with partners, other related organisations, government departments, user groups, business, voluntary sector groups, including championing the interests of the community, stakeholders and partners.

14. Effective contribution to the development and integration of financial and service planning processes across departments and with other agencies.
15. Participate in the Council's emergency planning and responses to emergency situations.

Designation of Post to which the Post-holder normally reports: Chief Executive

## **PERSON SPECIFICATION**

**DIRECTORATE:** Finance and Legal Services

**SECTION:** Finance

**JOB TITLE:** Director of Finance

### **Knowledge**

- Membership of one of the professional accountancy bodies required by S. 113 of the Local Government Finance Act 1988.
- Understanding of the legislation, regulations and technical guidance that determine the financial and fiduciary requirements of a local authority.

### **Skills and Abilities**

- Capacity to develop systems and processes for sound financial management and stewardship, including monitoring and forecasting of 'early warning' of potential problems and opportunities both Council wide and in service areas.
- Ability to effectively manage and develop a diverse staff team and ensure that equal opportunities considerations and effective delivery of services to the community are integrated into all the Directorate's activities.
- Ability to rapidly become familiar with legislative, service, strategic and delivery issues for the Council that are likely to have significant financial impact.
- Ability to integrate financial planning effectively with service planning, performance and investment processes, including planning across functions and agencies.
- Ability to contribute to the corporate leadership of the Council.

## **Experience**

- A successful track record in managing a large, complex finance function and utilising financial resources to improve organisational performance, working across service and organisational boundaries and engaging colleagues and key stakeholders in developing a common agenda.
- Experience of developing sustainable financial strategies in an environment with multiple stakeholders and pressures.
- High level influencing and interpersonal skills. Capacity to quickly establish credibility with members, chief officers and finance staff.