

Employment Committee Report
Report of Head of Paid Service
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Interim appointments to statutory officer responsibilities and reallocation of line management responsibilities

Executive Summary

Following consideration of the previous item on the agenda, the Employment Committee is asked to consider consequential interim appointments and reallocation of line management responsibilities, together with options for the appointment of a Deputy Managing Director, pending the appointment of a new Managing Director/Head of Paid Services in 2017.

Recommendation to Employment Committee

The Committee is asked to RECOMMEND to Council:

- (1) That, subject to the completion of the agreement referred to in the 'Not for Publication' Item 5 on this agenda,
 - (a) the following temporary arrangements and appointments be made in the interim, pending the appointment of a new Managing Director/Head of Paid Service:
 - (i) Legal Services, Democratic Services, Electoral Services and Human Resources teams be line-managed by the Director of Resources;
 - (ii) Communications and Policy & Partnerships teams be line-managed by the Managing Director/Head of Paid Service;
 - (iii) the Legal Services Manager (Sandra Herbert) be appointed as the Council's Monitoring Officer in accordance with Section 5 of the Local Government and Housing Act 1989.
 - (b) the Managing Director be appointed as the Council's Electoral Registration Officer in accordance with Section 8(2)(a) of the Representation of the People Act 1983 and Returning Officer for election of borough and parish councillors, in accordance with Section 35(1) of the 1983 Act.

- (2) That the Council confirms the appointment of the Electoral Services Manager (Elaine Bradbrook) as Deputy Electoral Registration Officer.
- (3) That consideration be given as to how best the role of Deputy Managing Director may be filled on an interim basis pending the appointment of a new Managing Director/Head of Paid Services.
- (4) That the proposed salary scale for the Managing Director/Head of Paid Service post be amended as follows:
 - £120,877
 - £123,712
 - £126,616
- (5) That, upon the retirement of Sue Sturgeon, the Head of Financial Services (Claire Morris) be appointed as the Council's Section 151 Officer (Chief Finance Officer).
- (6) That the current Pay Policy Statement be amended to reflect the changes referred to in paragraphs (1) – (4) above, as appropriate.
- (7) That the Monitoring Officer be authorised to make all necessary constitutional amendments.

Reason for Recommendation:

To deal with the consequential arrangements following completion of the agreement referred to in the 'Not for Publication' Item 5 on this agenda.

1. Purpose of report

- 1.1 To agree interim arrangements consequential on the completion of the agreement referred to in the previous item, together with a small number of changes required following the Council's decision on 6 October 2016 to confirm Sue Sturgeon's retirement date and the process and timetable for the appointment of her successor as Managing Director.
- 1.2 These arrangements will ensure that the Council's Corporate Management Team retains the necessary flexibility, whilst maintaining momentum on the Council's ambitious change agenda.

2. Strategic Framework

- 2.1 The Corporate Management Team is responsible for providing, directing and managing resources to ensure delivery of the Council's Corporate Plan priorities and to be well placed to meet future challenges.

3. Background

- 3.1 Following consideration of the previous item on the agenda, the Employment Committee is asked to consider the continuing responsibilities of the Director of

Corporate Services, consequential interim appointments and reallocation of line management responsibilities, together with options for the appointment of a Deputy Managing Director, pending the appointment of a new Managing Director/Head of Paid Services in 2017.

4. The Director of Corporate Services

- 4.1 The Council's reasoning on making a fixed term appointment for the post of Director of Corporate Services was to give the Council more flexibility in determining its future management structure, particularly given the possible impact of universal credit and opportunities for joint working. Since the last review, devolution has also come onto the agenda. The need for flexibility is still necessary and the Council is not yet in a position to be clear about its requirements at corporate management team level. This will be a matter for the new Managing Director to consider.

5. Reallocation of line management responsibilities

- 5.1 Once the agreement referred to in the previous item is finalised, it is proposed, pending the appointment of a new Managing Director/Head of Paid Service, to reallocate line management responsibilities as follows:
- (a) Legal Services, Democratic Services, Electoral Services and Human Resources teams be line-managed by the Director of Resources;
 - (b) Communications and Policy & Partnerships teams be line-managed by the Managing Director/Head of Paid Service

6. Interim Appointments

- 6.1 The interim appointments for consideration are as follows:
- Monitoring Officer
 - Deputy Managing Director

Monitoring Officer

- 6.2 A local authority has general flexibility to appoint whatever officers it thinks fit. Despite this general flexibility, there are a number of statutory exceptions.
- 6.3 The *Local Government Act 1989 Section 5* provides that the Council must appoint a Monitoring Officer to check on the correctness and propriety of the authority's decisions. The Monitoring officer may not also be Head of Paid Service or the Council's Chief Finance Officer. The Monitoring Officer has power to nominate deputies *Local Government Act 1989 Section 5A*.
- 6.4 It is proposed that Sandra Herbert, the Council's Legal Services Manager and currently a Deputy Monitoring Officer, be appointed as the Council's Monitoring Officer. Sandra Herbert is an experienced solicitor with many years' experience as both a Monitoring Officer and Deputy Monitoring Officer in local government. It is also proposed that Joan Poole continues as a Deputy Monitoring Officer.

Deputy Managing Director

- 6.5 As part of the consideration of the proposed restructuring of the Council's Corporate Management Team (CMT) in 2015, the Employment Committee agreed the appointment of a Deputy Managing Director on a fixed term basis. The designated Deputy Managing Director responsibilities involve deputising for the Managing Director in her absence.
- 6.6 Until her retirement, the Managing Director and Chairman of the Employment Committee envisage the role of Deputy Managing Director will be required to support the Managing Director in delivering on key targets for her remaining employment as well as being engaged in a handover process with the new Managing Director.
- 6.7 There are a number of options available to the Council as to how best to fill the role of Deputy Managing Director on an interim basis. The Employment Committee is asked to consider these options.

Option 1

- 6.8 To enable effective business continuity and minimise risk, all Directors could be asked to assume the role of Deputy Managing Director via an addendum to contract on a temporary basis until 30 June 2017.
- 6.9 The Managing Director could apportion areas of responsibility each Deputy Managing Director/Director would assume in her absence e.g. economic development, planning, finance, corporate governance/member general queries. This would ensure that succession planning is maximised and equal opportunities afforded in terms of gaining experience for future promotion prospects and all staff and members can be given these areas of responsibility so they know from the outset who to contact when the Managing Director is not available.

Option 2

- 6.10 Alternatively, to give further flexibility for the organisation and choice for the Managing Director, the Managing Director could nominate a director as the 'first point of call' to act as Deputy Managing Director in her absence.

Option 3

- 6.11 A further option would be for the Employment Committee to recommend to Council the appointment of an individual Director to take on the additional responsibilities of Deputy Managing Director.

7. Permanent Appointments

- 7.1 The permanent appointments for consideration, subject to completion of the agreement referred to above, are as follows:
- Returning Officer for the election of borough and parish councillors, and
 - Electoral Registration Officer

Returning Officer and Electoral Registration Officer

- 7.2 Every district council in England is required by Section 35(1) of the Representation of the People Act 1983 Act to appoint an officer of the council to be the Returning Officer (RO) for elections of district and parish councillors¹. Section 8(2)(a) of the 1983 Act also requires the Council to appoint an officer to be the Electoral Registration Officer (ERO). The ERO is responsible for the preparation and maintenance of the electoral register for any parliamentary constituency or part of a constituency within its area.
- 7.3 According to Section 28(1) of the 1983 Act, only the ERO may act as the (Acting) Returning Officer at Parliamentary elections, the Returning Officer for these elections being the High Sheriff. It makes sense, therefore, to ensure that one officer is appointed as both the ERO and RO.
- 7.4 The usual practice in most councils is for the Chief Executive/Managing Director to hold the roles of RO and ERO. It is proposed to revert to that arrangement by appointing the Managing Director to these roles. This will mean that the Council can include this role in the job description for the new Managing Director/Head of Paid Service.
- 7.5 In relation to the appointment of deputies, it is recommended that the Council confirms the appointment of Elaine Bradbrook (Electoral Services Manager) as Deputy ERO. It is not necessary to formally appoint a Deputy RO as the RO may appoint such deputies as they may deem appropriate for each scheduled election.

8. Managing Director's (and Deputy Managing Director's) salary scale

- 8.1 On 6 October 2016, the Council approved the arrangements for the retirement of the current Managing Director and recruitment of her successor. The initial part of the recruitment process will be to attract suitably qualified and experienced candidates to apply for the role of Managing Director/Head of Paid Service. The advertisement of the post will need to include salary details.
- 8.2 Our Pay Policy Statement for 2016-17 provides for single salary points for both the Managing Director and Deputy Managing Director roles, with progressive salary scales for all other posts within the Council. The provision of a salary scale for the post of Managing Director/Head of Paid Service would enable the Council to provide opportunity for a degree of pay progression for the successful candidate. Potential applicants are likely to expect a progressive salary scale and therefore if we can advertise as such, this should assist the Council in attracting suitable candidates. Moving from a single spot salary to a progressive salary scale would also bring this post into line with the Council's pay scales for other posts.

¹ In respect of County Council elections, the County Returning Officer normally appoints district council Returning Officers as Deputy Returning Officers

- 8.3 Approval of this proposal will require an update to our current Pay Policy Statement, to reflect the new pay arrangements. The proposed salary scale for the Managing Director/Head of Paid Service post is:

£120,877

£123,712

£126,616

- 8.4 Progression within the scale will be dependent upon satisfactory performance, as determined by the Council's performance management processes.

- 8.5 It is proposed to leave the Deputy Managing Director salary as a single pay point for the time being, with a view to reviewing in the future.

9. The Chief Finance Officer (CFO/Section 151 Officer)

- 9.1 The Local Government Act 1972 Section 151 provides that the Council must secure that one of their officers is responsible for the administration of financial affairs, to ensure financial probity and to make reports accordingly. The *Local Government Finance Act 1988* provides that a Chief Finance Officer must hold a professional accountancy qualification. The Council's Managing Director Sue Sturgeon currently holds this position.

- 9.2 It is suggested that, following the retirement of Sue Sturgeon on 31 May 2017, Claire Morris the Head of Financial Services should assume responsibility for the role of Section 151 Officer and be the Council's Chief Finance Officer in relation to its statutory duty to make arrangements for the proper administration of the Council's financial affairs.

- 9.3 The post will continue to be designated Head of Financial Services.

- 9.4 This is a necessary adjustment as the Section 151 role is currently held within the Managing Director's position due to the present post holder's qualifications and experience and the current Managing Director will mentor the Head of Financial Services over the next six months to ensure the post holder's transition into the new CFO role.

- 9.5 It is likely that the knowledge, skills and abilities required for the new Managing Director will be in areas e.g. place-shaping, shared services, application of new technology to improve customer services. Therefore, keeping the CFO as a pre-requisite may diminish the pool of prospective applicants for the Managing Director position.

10. Financial Implications

- 10.1 The Council's Pay Policy Statement 2016-17 provides for a specific payment to be made to the Monitoring Officer and the Chief Finance Officer. The amount in each case is £5,300 p.a.

- 10.2 The two Deputy Monitoring Officers currently receive a small payment of £1,500 p.a. each. If the Council appoints one of the Deputies as the Monitoring Officer,

the cost in the current year would be £1,600. This additional sum can be accommodated in the current year's budget.

- 10.3 The additional payment for the Chief Finance Officer role will not take effect until 1 June 2017 and provision would be made in the 2017-18 budget.
- 10.4 The cost of the Deputy Managing Director will depend on the decision taken by the Council on the recommendation of the Employment Committee, but the maximum cost will be around £10,000 (full year estimate).
- 10.5 If the Council approves the recommendations set out in the paragraphs 6, 7 and 8 above, it will be necessary to make appropriate amendments to the current Pay Policy Statement 2016-17, which was approved by the Council on 10 February 2016. The Committee is asked to recommend to Council that the current Pay Policy Statement be amended to reflect these changes.

11. Legal Implications

- 11.1 A local authority may appoint whatever officers it thinks are necessary to carry out any function it is responsible for discharging. Despite this general flexibility, however, local authorities have duties to designate one of their officers as Head of Paid Service who is responsible for preparing reports on the way the local authority's staff is organised, on the authority's staffing needs and on the co-ordination of the way in which the authority's functions are discharged (*Local Government and Housing Act 1989 Section 4*). The Council must also appoint a Monitoring Officer to check on the correctness and propriety of the Council's decisions (*Local Government Act 1989 section 5*) and to secure that one of their officers is responsible for the administration of financial affairs (*Local Government Act 1972 Section 151*).
- 11.2 The *Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (SI 2000/2853)* provides that the appointment of the Council's statutory officers is not an Executive function and is reserved only for the consideration of and decision by Full Council.
- 11.3 The *Representation of the People Act 1983 Section 35* requires the Council to appoint an officer of the Council to be the Returning Officer for the elections of borough and parish councillors. *Section 8(2)(a)* of the 1983 Act also requires the Council to appoint an officer to be the Electoral Registration Officer who is responsible for the preparation and maintenance of the electoral register for any parliamentary constituency or part of a constituency within its area.
- 11.4 The *Localism Act 2011 Section 38* requires English and Welsh local authorities to produce a Pay Policy statement each financial year which sets out the Council's approach towards a range of issues relating to the pay of its workforce, particularly its senior staff and its lowest paid employees. Approval of the Council's Pay Policy Statement is a matter for full Council.
- 11.5 Under the *Localism Act 2011 Section 39(4)*, the Council may by resolution amend its pay policy statement (including after the beginning of the financial year to which it relates).

12. Human Resource Implications

12.1 The human resource implications are set out in the body of this report.

13. Background Papers

The Council's Pay Policy Statement 2016-17

14. Appendices

None