

Extract from minutes of -

MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE

18th MARCH, 2011

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**“Recruitment for the Post of Director of Finance and Resources**

The Chief Executive submitted for the Committee’s consideration the undernoted report:

**‘Relevant Background Information**

The Director of Finance and Resources has advised that she plans to leave the council at the end of June 2011, subject to the completion of formalities for her new post in the Department of Health, Social Services & Public Safety. Arrangements therefore need to be put in place now to ensure the effective recruitment of a suitable candidate for this vital post.

**Key Issues**

**1. Background to Job Role**

Members will be aware that the post of Director of Finance and Resources currently has responsibility for Finance ; Efficiency; Performance Management; Audit, Governance and Risk (including Health and Safety); ICT and Human Resources.

There are considerable agendas associated with the council’s two most important assets – money and people. Each requires effective, efficient management and scrutiny while supporting the organisation to make significant improvements.

**(a) Financial Challenges**

Clearly the effective management of our money is vital. The council must ensure it has sound financial governance and fit for purpose strategic financial planning and management, particularly in these financially challenging times. At its meeting on 4 March, the Committee discussed the need to not only manage our own finances as effectively as possible and to continue to find efficiencies but to explore new and innovative ways of financing investment in the city. Members stressed the need for key strategic relationships to be developed with the aim of advocating for and proactively leveraging resources into key projects. This would come together through the development and implementation of a resourcing strategy for the city.

In short, therefore, moving forward the role of Director of Finance and Resources, in terms of finance, has three key elements:

- (i) tight organisational management, linked to efficiency, performance management and continuous improvements across all departments,
- (ii) addressing rating setting issues and related management of budgets; and
- (iii) an enhanced externally focused role to secure financing/income - building key relationships, identifying new and innovative funding streams and creating a long-term, collaborative approach to growing the rates-base, the Council's key source of income.

**(b) Human Resources/Organisational Development (OD) Challenges**

The effective management of our workforce is equally important and the nature of HR as a function has also changed. While there is still clearly a need to ensure compliance with relevant employment legislation and best practise, we have been moving to a more strategic approach to managing our people in order to build the capacity of the organisation to improve, deliver value for money services and achieve efficiencies. There is also a significant industrial relations agenda which needs to be managed in a time when we must do more with less.

To support this agenda, the council's former Business Improvement section has largely merged with HR, with some staff moving to the Efficiency Unit. In addition arrangements are being implemented to ensure that HR Officers across the council link to the Head of HR (Finance Officers across the council already link into the Director of Finance and Resources on an informal basis).

**2. Proposed revision to Job Role**

In summary, following discussion with the existing Director of Finance and Resources, the current economic climate and the significant challenges expected over the next few years in finance and HR/OD mean that the role of Director of Finance and Resources has changed considerably, both in scope and significance.

Consequently, it is felt that a role that is responsible for Finance; Efficiency; Performance Management; Audit Governance and Risk (including Health and Safety) ICT, HR and a new externally focussed City Resourcing Strategy; is too extensive given the significant external pressures and the efficiency, organisational development and improvement agenda ahead.

High performing councils in England, Scotland and Wales (and private sector organisations) have Finance and HR / Organisational Development (OD) within the same tier in the organisation, with each of the lead officers for these functions reporting directly to the Chief Executive. This recognises the significance of and difference in each of these functions.

It is proposed therefore to keep Finance (including a new externally focussed City Resourcing Strategy) Efficiency, Performance Management, Audit, Governance and Risk (including Health and Safety), and ICT under the Director of Finance and Resources and place HR and OD with the Chief Executive alongside Legal, Policy and Planning and Communications.

Members will be aware that each director within BCC has a “flexibility” clause within their job description allowing for functions to be changed as required. There would be no change to the salary scales of either the Director of Finance and Resources or the Head of HR, nor would there be any change to the current governance arrangements in that the Director of Finance and Resources and the Head of HR would continue to report to the Audit Panel, Budget and Transformation Panel and Strategic Policy and Resources Committee in each of their specific areas.

### **3. Filling the post**

The appointment for the Director of Finance and Resources will be made in accordance with the council’s normal recruitment and selection procedure. Given the significance of the post, it is proposed that we follow the arrangements used the last time the post was filled and to perform an executive search in order to obtain the best possible pool of capable candidates for consideration by the council.

Council policy, in accordance with guidance given by the statutory Code of Employment Practice issued by the Local Government Staff Commission provides that the selection panel for such posts should comprise the Chair, Deputy Chair, two Members and the Chief Executive. (Community balance is to be provided across the Members and gender balance is to be provided across the panel.) A non-voting Local Government Staff Commission professional assessor/observer should also be in attendance.

### **Recommendations**

**Subject to the recruitment formalities being completed for the present Director's new post, it is recommended that:**

- 1. the Director of Finance and Resources should be responsible for Finance; Efficiency; Performance Management; Audit, Governance and Risk (including Health and Safety); ICT; and city resourcing strategy with the functional responsibility of HR and OD moving to the Chief Executive.**
- 2. the Committee agree elected members' nominees to comprise the selection panel.**
- 3. The Chair and Deputy Chair agree the recruitment plan and documentation with the Chief Executive; and**
- 4. the selection panel will have delegated authority to make the appointment with the outcome being reported to June's Council meeting for members' notification.**

### **Resource Implications**

**The cost of executive search will be subject to a four quote specification process based on quality and price and will be within the limit set for delegated authority.'**

The Committee adopted the recommendations and agreed that, in addition to the Chairman and the Deputy Chairman, that Councillors Hargey and McCarthy be appointed to the selection panel."