



Classification	Item No.
Open	

Meeting:	Human Resources and Appeals Panel
Meeting date:	10 December 2020
Title of report:	Strategic finance leadership
Report by:	The Leader of the Council
Decision Type:	Council
Ward(s) to which report relates	N/a

Executive Summary:

The Council and CCG are both holding vacancies at strategic finance level. It is proposed to take this opportunity to bring the two roles together and re-establish a joint Executive Director Finance post which works across the partnership. The staffing structure in finance around this post will be reviewed again following appointment.

Recommendation(s)

That:

The HRA recommend to Council’s Cabinet, that the post of a joint Executive Director Finance is established.

Key considerations

Background

In June 2019 the Council and CCG partnership established a single Chief Finance Officer (CFO) role across the two organisations, to be supported by two finance leads who were intended to provide technical leadership of local government / CCG finance respectively. This structure was designed to provide experience and expertise in both Local Government and NHS financial management and to combine these skills to take full advantage of the single commissioning function under the Strategic Commissioning Board (SCB).

The CCG Deputy CFO post has been filled on an interim basis. The Council was unable to appoint to its Deputy CFO role and therefore in September 2020 this post was reconfigured into the Director of Financial Transformation which also included S151 responsibilities. The reconfigured, more senior finance role within the council was established to provide the strongest possible financial stewardship in view of the Council's challenging financial position and scale of transformation ambition. The specific accountabilities for this role were:

- The coordination of Council savings and investment plans as part of a new budget and business planning process ;
- further development of the capital strategy and capital gateway process which will be critical to the development of the borough;
- developing the Council's commercial strategy, including reviews of traded services

The post of Director of Financial Transformation is filled on an interim basis until February 2021 when arrangements are scheduled for formal review.

The joint Chief Finance Officer is leaving the Council/CCG in January 2020 for a new role.

The two substantive vacancies present an opportunity to review arrangements.

Key Considerations

The Council and CCG have always held an aspiration for a single point of professional financial leadership, for the delivery of balanced budgets across the CCG and the Council. The CCG and the Council have significant combined savings to deliver and a leadership role in addressing the health and care system financial deficit. This is a very significant challenge which requires a single focus for control and accountability for financial management.

The volume of work required to balance the Council's budget and extent of system and strategy transformation required to stabilise the position have required a period of separate and dedicated leadership. Significant progress has now been made with this agenda including:

- the agreement of a Medium Term Financial Strategy
- budget monitoring and reporting arrangements for the budget position including in year savings
- a set of outline budget proposals and analysis for the 2021/22 budget, which takes account of significant additional pressures due to the impact of covid
- a capital programme and gateway process
- refreshed governance for financial decision making risk management; audit and procurement

The Council is therefore in a much stronger position and able to return to the principle of a joint leadership role across the One Commissioning Organisation partnership. The CCG remains fully supportive of the principle with a professional structure in place to support.

Proposal

It is proposed that the Council and CCG return to the original design of a joint chief finance officer. The Job Description for this post is appended and reflects the original objectives for this role which were to:

- create single leadership for development of an integrated strategic approach to the next three year financial plan and commissioning strategy.
- drive the creation of pooled and aligned budgets and single financial management systems across the CCG and the Council. This will be essential to the operation of the One Commissioning Organisation.
- lead the professional development of finance staff and raise overall financial skill levels across the CCG and the Council. This will strengthen the resilience of the finance functions by increasing the flexibility of staff across the CCG and Council to respond to challenges and changing circumstances.

Following a market assessment it is proposed to call the post Executive Director Finance as this is most recognisable to candidates from across the two sectors.

This role will act as the officer appointed under section 151 of the Local Government Act 1972 which requires the Council to appoint a suitably qualified officer responsible for the administration of its financial affairs. Statutory regulations also require that the membership of the CCG Governing Body must include a Chief Finance Officer who is an employee of the CCG and who has a professional qualification in accountancy and the expertise or experience to lead the financial management of the CCG. The proposed role will fulfil both statutory requirements with reporting lines to both organisations; the terms and conditions of service will be in line with Council or CCG, depending on the postholder's current arrangements.

The post will be advertised externally with the support of an executive search partner. The intention is to make an appointment before the joint CFO leaves the Bury system at the end of January 2021 and interim arrangements within the Council expire.

Once the leadership appointment is made the supporting structures within both finance teams will be reviewed. A separate report will be brought back to the HRA at that time to complete the restructure of the finance function. The final structure will include skills across both Local Government and NHS finance systems and it will be managed as a whole to have maximum impact on the Borough's economic recovery from Covid-19 and reducing the costs of demand caused by health inequalities and concentrations of deprivation.

Other alternative options considered

In determining this proposal full consideration has been given to:

- retaining two entirely separate finance director posts across the council and CCG
- retaining the current arrangement of a system-wide CFO but enshrining S151 responsibilities within a leadership post employed by the council.

The recommendation to committee is that neither of these objectives support the partnership endeavour of a single view of finance resources and integrated leadership of the health and care pooled budget.

The HRA is asked to note that it may, however, be necessary to return to these options subject to the outcome of the recruitment process.

Community impact/links with Community Strategy

This post will play an important leadership role in addressing system financial sustainability. This is a risk highlighted in the Bury 2030 strategy

Equality Impact and considerations:

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and

demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

Equality Analysis	<i>The change in structure does not present any equality impacts. The recruitment to this post is an opportunity to further the diversity of the workforce. External advertising should therefore take account of opportunities to target under represented community groups</i>

**Please note: Approval of a cabinet report is paused when the 'Equality/Diversity implications' section is left blank and approval will only be considered when this section is completed.*

Assessment of Risk:

The following risks apply to the decision:

Risk / opportunity	Mitigation
The post is not filled	Comprehensive advertisement and use of an executive search campaign
Failure to recruit means two statutory vacancies for finance leadership across the Council and CCG	Interim resource will be secured

Consultation:

The changes in structure do not affect any substantive postholders and therefore are not subject to consultation.

The TU will be notified.

Legal Implications:

The legal implications associated with the statutory role this post will cover, are set out in the report. Recruitment must be in accordance with the Council's Constitution, the new recruitment policy for Chief Officers (subject to approval of that policy) and comply with the requirements for equality and diversity. Further arrangements will need to be put in place, detailing to operational issues arising from the 'joint' proposals in the report.

Financial Implications:

There are no additional financial implications arising from the proposal.

Report Author and Contact Details:

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Background papers:

HRA Reports April 2019 and June 2020

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
CCG	Clinical Commissioning Group
CFO	Chief Finance Officer
SCB	Strategic Commissioning Board