

Classification: Open	Decision Type: Key
--------------------------------	------------------------------

Report to:	Cabinet	Date: 14 February 2024
Subject:	Bury Council Finance - Future Leadership Arrangements	
Report of	Cabinet Member for Finance and Communities	

1. Introduction

- 1.1 This report sets out proposals in relation to the future substantive leadership of the Council’s Finance function.
- 1.2 An Interim Executive Director of Finance was appointed to lead the production of the 24/25 budget in November 2023. It was agreed at that time that recruitment of a substantive successor would begin at pace once the challenging medium-term financial plan was produced.
- 1.3 The proposals set out below have been developed with the current Interim Executive Director and tested against arrangements in place elsewhere in the sector.

2.0 Recommendations

That Cabinet:

- 1. Recommend to Council that the vacant post of Deputy Chief Finance Officer (Band E, £93k - £102k) be redesignated as Director of Finance (Band F, £104k - £113k) and redesignated as the Council’s Statutory Section 151 Officer. The Director of Finance will be a direct report to the Chief Executive with the Finance function becoming part of the Corporate Core Department under the Executive Director (Strategy & Transformation).
- 2. Note that following this appointment the Executive Director (Finance) role will be disestablished.
- 3. Recommend to Council that the post of Director of People & Inclusion (Band D, £84k - £91k) be re-graded at Chief Officer Band E (£93k - £102k) to reflect the post’s expanded portfolio, as set out below. Delegate authority to the Chief Executive and the Cabinet Members for Finance and Communities and HR and Corporate Affairs, in consultation with the Monitoring Officer and S151 Officer, to consider responses received from the consultation and produce a final version of the structure as set out in recommendation 5.

4. Approve the redesignation and re-evaluation of the post of Chief Accountant (Band B, £69k - £75k) to Assistant Director (Finance) (Band D £84k - £91k) as a basis for consultation. This role will take on the duties of the Deputy S151 officer.
5. Agree in principle the commencement of consultation with affected staff in relation to the changes set out in this report and to delegate authority to the Chief Executive and the Cabinet Members for Finance and Communities and HR and Corporate Affairs, in consultation with the Monitoring Officer and S151 Officer, to consider responses received from the consultation and produce a final version of the structure.

3.0 Reasons for recommendation(s)

- 3.1 The proposal sets out the long-term plan for leadership of the Council's Finance function, following the appointment of the Interim Executive Director and within the context of the wider leadership structure within the Corporate Core.
- 3.2 In recommending options, consideration has been given to the overall leadership capacity and structure required for the function beyond the S151 role and the benefits of integrating Finance within the Corporate Core Department to ensure the full coordination of all Council back-office functions.

4.0 Alternative options considered and rejected.

- 4.1 It would be possible to maintain the current finance structure and seek to recruit to existing posts on a substantive basis, however the recruitment market has not supported this structure to date.

5.0 Background and Context

- 5.1 A fundamental review of the Council's Finance function took place during 2022 with implementation from January 2023. These changes addressed a range of long-standing challenges across the function and attempted to strengthen the existing structure. However, since that time, leadership of the function has seen a significant lack of stability with the former Deputy Chief Finance Officer leaving the Council in April 2023 and the Joint Executive Director of Finance departing in November 2023.
- 5.2 Whilst appropriate arrangements are now in place to cover the Executive Director role on an interim basis with experienced managers, substantive vacancies in these posts present an opportunity to reconsider the function's overall leadership model based on a number of emerging issues:
 - The need to strengthen and align the Council's Corporate Core functions (particularly IT, Finance and HR) behind a clear transformation programme, as outlined by the Corporate Peer Challenge.

- The ongoing Financial Improvement Plan in place across the Council. This includes a continued focus on getting the basics right and building skills and succession planning within the function.
- The strong expertise present through the current Interim Executive Director and the opportunity this presents to support a managed and flexible transition to substantive arrangements and nurture internal talent.
- The current challenging market for senior finance professionals and need to effectively position Bury here in pursuit of the best possible financial leadership arrangements for the long term.

6.0 Proposals

6.1 Director of Finance

- 6.1.1 It is proposed that the vacant post of Deputy Chief Finance Officer (Band E, £93k - £102k) be redesignated as Director of Finance (Band F, £104k - £113k).
- 6.1.2 Following this appointment the post of the Executive Director (Finance) post will be removed from the Council structure and the Director of Finance will report directly to the Chief Executive. The Finance function will, however, form part of an integrated Corporate Core Department with accountability to the Executive Director (Strategy & Transformation). The integration of Finance as part of a unified Corporate Core under a single Executive Director will support the effective delivery of the Council's ongoing transformation and ensure the organisation's key support functions are fully aligned.
- 6.1.3 The interim Executive Director will remain in post in a strategic advisory capacity to ensure an appropriate handover and understanding of the 2024/25 budget and Medium Term Financial Plan.

6.2 Wider Leadership of the Finance Function

- 6.2.1 To support the appointment to the Director of Finance it is proposed that the post of Chief Accountant (Band B, £69k - £75k) be redesignated and re-evaluated as Assistant Director (Finance) (Band D £84k - £91k). The current post holder will move into this role in accordance with Council policy and will become the Council's Deputy S151 officer. The positioning and remuneration of this post has also been subject to market testing.
- 6.2.2 As well as responsibility for the Council's core accountancy and financial planning functions the proposal is that the Head of Revenues and Benefits moves to report to the Assistant Director and assumes responsibility for the Accounts Payable team. This will bring together the Council's core transactional finance functions under one head of service. The Assistant Director will also assume direct line management responsibility for the Finance Business Partners.

- 6.2.3 To ensure the Finance function has the capacity to deliver against its Improvement Plan, as part of the integration with the wider Corporate Core function responsibility for Payroll and Pensions will be transferred to the Director of People and Inclusion. This proposal should be set in the context of the imminent renewal of the Council's core HR and Payroll system and the need to ensure clear accountability and leadership of this process and system and to maximise the potential benefits to the Council.
- 6.2.4 To further provide additional capacity the finance function in this period, and as part of demonstrating the benefits of finance aligning with the Corporate Core, the Director of People and Inclusion will support the Finance Leadership team with the development of the Council's Procurement function on a temporary basis. At present, procurement is delivered through a combination of a in house staff and support through the STAR procurement service. A key priority of the Director of People & Inclusion will be to work with interim Executive Director (Finance) to agree future substantive arrangements for procurement across the Council. This will include development of the Council's approach to Social Value which will need to align with the Council's Inclusion Strategy and approach to supported employment, which are currently overseen by the Director of People & Inclusion.
- 6.2.5 To reflect the proposed changes set out above, the post of Director of People & Inclusion (Band D, £84k - £91k) has been re-evaluated to Band E (£93k - £102k). As part of this change in responsibility, the post will become a direct report to the Executive Director (Strategy & Transformation) and will continue to play a key role as part of the Council's Senior Leadership Team, working directly with Executive Directors and the Chief Executive to deliver transformation and workforce development.
- 6.2.6 Subject to the support of the recognised Trade Unions, the above changes would be subject to a period of consultation with affected post holders.
- 6.3 Current and proposed future leadership structures of the Finance function are appended.

7.0 Next steps

- 7.1 Subject to approval by Council, recruitment will progress for the new Director.
- 7.2 The wider changes set out will require consultation with affected staff which will, be progressed as soon as possible, subject to agreement from the recognised Trade Unions.
- 7.3 It is anticipated that implementation of the new structural arrangements would be in place prior to 1st April 2024.

Report Author and Contact Details:

Name: Kate Waterhouse
Position: Executive Director (Strategy & Transformation)
Department: Corporate Core
E-mail: k.waterhouse@bury.gov.uk

8.0 Links with the Corporate Priorities:

8.1 A change to the Finance Leadership is necessary to drive forward the improvement in the Council's financial accounting and monitoring to deliver the best for Bury. Alignment of Finance within the Corporate Core will support the delivery of the Council's overall transformation.

9.0 Equality Impact and Considerations:

9.1 These changes are being delivered within the Council's approved policy framework that has been subject to full equality analysis. No adverse service changes are anticipated to result from the proposals.

10.0 Environmental Impact and Considerations

N/A

11.0 Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Failure to recruit to posts within the new structure	Salaries are considered as competitive within the market, and management spans of control / portfolios reasonable and coherent.
Instability of leadership	Robust arrangements in place in respect of interim cover while the new arrangements take effect.

7.0 Legal Implications:

If Members are minded to agree to the recommendations a 30-day consultation will take place in accordance with legislation and the Council's consultation tool kit. The proposals will be reviewed following the consultation period. In accordance with the Localism Act 2011 the proposals set out at recommendations 1 & 3 will require Council approval.

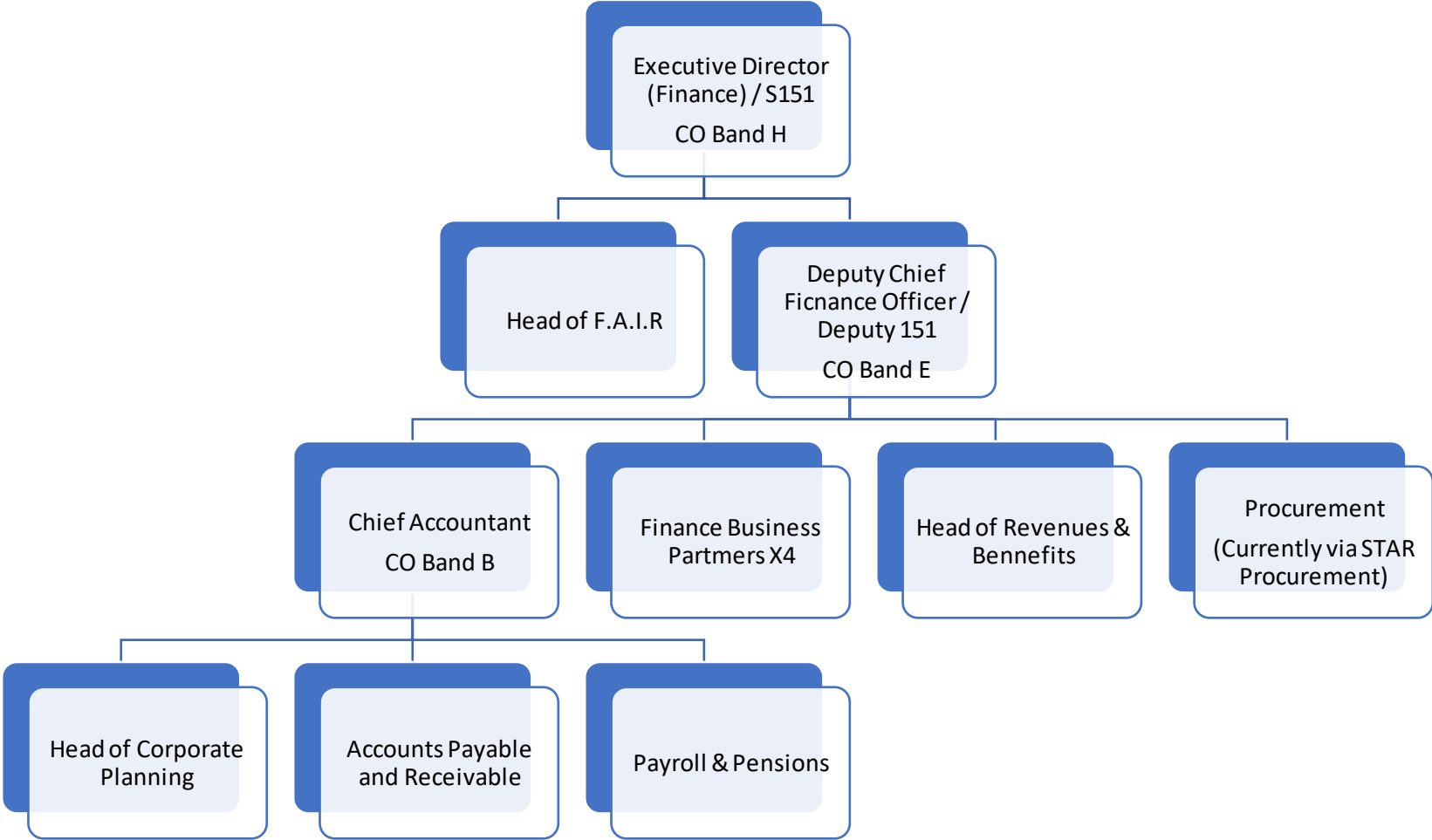
8.0 Financial Implications

When fully in place the proposed changes would represent a saving to the Council reflecting the deletion of the Executive Director (Finance) role and the proposed changes to other posts of circa £120K.

9.0 Background papers:

- Appendix A – Current Structure
- Appendix B – Proposed Structure

Appendix A: Current Structure



Appendix B: Proposed New Structure

