

To: Councillor Emberson (Chair)
Councillors Brock, Lovelock, Page and
Skeats

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19 January 2021

Your contact is: **Richard Woodford - Committee Administrator**

NOTICE OF MEETING - PERSONNEL COMMITTEE 27 JANUARY 2021

An additional meeting of the Personnel Committee will be held on Wednesday, 27 January 2021 at 6.30 pm. This will be an Online Meeting via Microsoft Teams. The Agenda for the meeting is set out below.

	<u>WARDS AFFECTED</u>	<u>Page No</u>
1. DECLARATIONS OF INTEREST		
2. DESIGNATION OF DEPUTY CHIEF EXECUTIVE	BOROUGHWIDE	3 - 16

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READING BOROUGH COUNCIL
REPORT BY THE CHIEF EXECUTIVE

TO:	PERSONNEL COMMITTEE		
DATE:	27 JANUARY 2021	AGENDA ITEM:	2
TITLE:	DESIGNATION OF DEPUTY CHIEF EXECUTIVE		
LEAD COUNCILLOR:	COUNCILLOR JASON BROCK	PORTFOLIO:	LEADER OF THE COUNCIL
SERVICE:	CHIEF EXECUTIVE	WARDS:	BOROUGHWIDE
LEAD OFFICER:	PETER SLOMAN	TEL:	0118 9372067
JOB TITLE:	CHIEF EXECUTIVE	E-MAIL:	Peter.sloman@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 To agree the re-designation of the post of Executive Director of Resources as Deputy Chief Executive in order to strengthen senior management capacity to deliver the Council's ambitious plans in relation to social inclusion, anti-poverty and the 'levelling up' agenda, and to undertake the statutory functions of the Head of Paid Service in the Chief Executive's absence.
- 1.2 In addition, to designate the Director of Finance post as Chief Finance Officer and Section 151 Officer which will also support recruitment and retention for this vital role, and to advise on other consequential changes.

Appendix 1: Current Corporate Management Team structure
Appendix 2: Proposed Corporate Management Team structure
Appendix 3: Senior officers' salary benchmarking
Appendix 4: Proposed amendments to Article 12 of the Constitution

2. RECOMMENDED ACTION

- 2.1 That the Corporate Management Team structure set out at Appendix 2 be approved in principle, and a new Director of Finance post be created.
- 2.2 That the designations in the amended Article 12 of the Constitution (as attached at Appendix 4) are recommended to Council for approval.

3. BACKGROUND

- 3.1 This report details a restructure proposal for the Corporate Management Team which seeks to continue to support the Council's good track record of delivery of front-line customer facing services, but also increase capacity to deliver a range of projects to support the continued growth and development of Reading, alongside balancing the Council's budget. The proposed new structure will enable delivery of the Council's ambitious agenda through increased capacity in several key areas as outlined below.
- 3.3 The Council's current Corporate Management Team structure is outlined in Appendix 1. It comprises the Chief Executive, 3 Executive Directors, Director of Children's Services¹, and Assistant Director of Legal and Democratic Services (Monitoring Officer).
- 3.4 In January 2019, the Chief Executive undertook a restructure which aimed to strengthen senior management capacity in light of the changing needs of the Council. Following this, we successfully recruited a strong and experienced senior leadership team of Executive Directors and Assistant Directors. However, since this time, there has been a growing need to strengthen capacity further to address issues within the borough around social inclusion, anti-poverty and the 'levelling up' agenda. Currently, there is no single post with overall responsibility and accountability to lead and deliver successful outcomes in this complex area; instead the remit is contained within several senior posts. It is therefore considered essential to designate one of the Executive Director posts as overall lead for this agenda; specifically, the Executive Director of Resources post which already has a corporate wide remit. This post would also be designated as Deputy Chief Executive and be required to undertake the statutory functions of the Head of Paid Service in the Chief Executive's absence.
- 3.5 It is proposed that the Deputy Chief Executive is paid an additional responsibility allowance of £14,335 per annum which is 50% of the salary difference between the Chief Executive and Executive Director of Resources current grade maximums. Cost of living pay awards agreed by the Joint Negotiating Committee for Chief Officers of Local Authorities would be applied to the allowance. This would result in a total salary for the Deputy Chief Executive which is equivalent to just over 90% of the Chief Executive's salary. This also provides for a reasonable pay gap between the Chief Executive, Deputy Chief Executive and Executive Director salaries which helps to ensure fairness for equal pay purposes. Benchmarking has been undertaken of senior officer salaries in neighbouring unitary councils and west London boroughs which is attached in Appendix 3. Two other councils have a Deputy Chief Executive post, and in both cases, they are also paid approximately 90% of the Chief Executive's salary.
- 3.6 Currently, the Executive Director of Resources is designated as the statutory Chief Finance Officer and Section 151 Officer. It is proposed to move this

¹ The Director of Children's Services is seconded for 80% of the time to Brighter Futures for Children

function to the tier below. This will provide the Deputy Chief Executive with more capacity to focus on addressing the issues within the borough around social inclusion, anti-poverty and the 'levelling up' agenda. In April 2020, the Assistant Director of Finance left the organisation. The post was filled on an interim basis initially due to the pandemic situation. The post was advertised nationally in September 2020 at the current Assistant Director salary level of up to £96k per annum, but despite receiving 31 applications, none were of a high enough calibre to proceed to final interview.

- 3.7 Advice has been sought from several external recruitment consultants and all have advised that the salary and responsibilities of the role are not sufficient to attract the quality of candidates we are seeking; all have recommended a salary of between £115,000 to £120,000 per annum in order to attract candidates undertaking similar level roles in unitary authorities and London Boroughs. It has also been recommended that designating the post as Section 151 Officer will help to attract high quality candidates. It is absolutely essential to appoint a suitably qualified and experienced senior officer into this role given the significant budget challenges facing the Council. Whilst there has been good progress, there is still significant work needed to transform and raise the skills and capability of the function, implement a new finance system, and complete the accounts for 2018/19 and 2019/20. The post has therefore been reviewed and it is proposed to re-designate it as Director of Finance and Chief Finance Officer and Section 151 Officer. They will also be a member of the Corporate Management Team. A market supplement of £24,000 per annum will be paid on top of the base salary (currently up to £96,392 per annum) in order to attract and retain a suitably qualified and experienced candidate. This will achieve a maximum salary of £120,392 per annum which is at the higher end of the salary range recommended by external recruitment consultants.

4. THE PROPOSALS

- 4.1 A proposed structure chart for the Corporate Management Team is attached at Appendix 2.
- 4.2 It is proposed that the post of Executive Director of Resources is re-designated as Deputy Chief Executive. This post already has a corporate remit which would widen to become overall lead with responsibility and accountability for delivering successful outcomes within the social inclusion, anti-poverty and 'levelling up' agenda within the borough. The post would also undertake the statutory functions of the Head of Paid service in the Chief Executive's absence.
- 4.3 Currently, the Executive Director of Resources fulfils the statutory role of Chief Finance Officer and Section 151 Officer. It is further proposed to move this function to the new Director of Resources post in the tier below, which will also support recruitment and retention for this vital role as detailed in paragraph 3.7.

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 These proposals are important to the achievement of all of the Council's Strategic Aims as set out in the Corporate Plan 2018-21, but in particular to the aim of remaining financially sustainable to deliver the service priorities set out in the plan.

6. COMMUNITY ENGAGEMENT AND INFORMATION

- 6.1 The proposals concern the internal senior management of the authority. It is neither appropriate nor required for them to be the subject of external consultation.
- 6.2 The Chief Executive has consulted with the Corporate Management Team and the trade unions and there is broad agreement with the proposals.

7. EQUALITY IMPACT ASSESSMENT

- 7.1 At this stage it is not considered that an Equality Impact Assessment (EIA) is required.

8. LEGAL IMPLICATIONS

- 8.1 The authority's power to appoint staff and to determine their terms and conditions of employment is under Section 112 of the Local Government Act 1972. This power has been delegated by Council to the Personnel Committee to exercise.
- 8.2 There are mandatory Standing Orders governing the recruitment, appointment and dismissal of senior management staff in a local authority, as set out in the Council's Officer Employment Procedure Rules in Part 4 of the Council Constitution. These derive from the Local Authorities (Standing Orders) (England) Regulations 2001, as amended by the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015. They were adopted by Council on 26 March 2002 and revised by Council on 7 July 2015. They cover Executive Director and Assistant Director posts in the authority, where any external recruitment process is the responsibility of the Personnel Committee.
- 8.3 The Personnel Committee has delegated powers to appoint Executive Directors (as statutory and non-statutory Chief Officers), the Monitoring Officer, the Chief Finance Officer, and other posts covered by the mandatory Standing Orders.
- 8.4 The Personnel Committee is being asked to consider four legal matters as a result of this re-organisation:
- (i) The re-designation of the Executive Director for Resources role as Deputy Head of Paid Service (instead of being designated as the Section 151 Officer);

- (ii) The appointment of a new post as Director of Finance
- (iii) The designation of the Director of Finance as the Chief Finance Officer and Section 151 Officer
- (iv) The re-designation of the Financial Planning and Strategy Manager post as Deputy Chief Finance Officer and Deputy Section 151 Officer

The Re-designation of the Executive Director for Resources as Deputy Head of Paid Service

- 8.5 The Executive Director of Resources is already employed as a Chief Officer of the Council. Article 12 of the Constitution designates this role as the Chief Finance Officer and Section 151 Officer. Personnel Committee is asked to recommend the amended Article 12 (as shown in Appendix 4) to Council. This re-designates the role as Deputy Head of Paid Service, but it remains as a Chief Officer role. The role will now be styled, Deputy Chief Executive, and in addition to the substantive duties of the role (managing the Resources Directorate, contributing to the overall corporate management of the Council), further duties as outlined in this report will be added to the role description.

The Appointment of a new post as Director of Finance

- 8.6 The Assistant Director of Finance role was a Deputy Chief Officer role. This role will now be removed from the structure. As an AD role, it was designated as the Deputy Chief Finance Officer and Deputy Section 151 Officer (Article 12) and the appointment to the role was made by the Personnel Committee (Officer Employment Procedure Rules). The appointment of a Director of Finance is similarly classified as a Deputy Chief Officer role (reporting to the Deputy Chief Executive), and the appointment is made by Personnel Committee. This is within the Committee's existing powers.

The designation of the Director of Finance as the Section 151 Officer

- 8.7 Whilst the Personnel Committee has power to appoint the Director of Finance, the status of the role as Chief Finance Officer and Section 151 officer is a matter for Council, since Article 12 of the Constitution specifies the designations of each role. The amended Article 12 attached to this report as Appendix 4 deals with this and these amendments can be recommended by this Committee to Council.

The re-designation of the Financial Planning and Strategy Manager post as Deputy Section 151 Officer

- 8.8 The Assistant Director of Finance was previously designated as the Deputy Chief Finance Officer and Deputy Section 151 Officer. If the Committee agrees to recommend the appointments outlined above, then a consequential effect is to designate another post reporting to the Director of Finance as the Deputy Chief Finance Officer and Deputy Section 151 Officer. This is

proposed to the Financial Planning and Strategy Manager. Again, the amendments in Appendix 4 deal with this.

9. FINANCIAL IMPLICATIONS

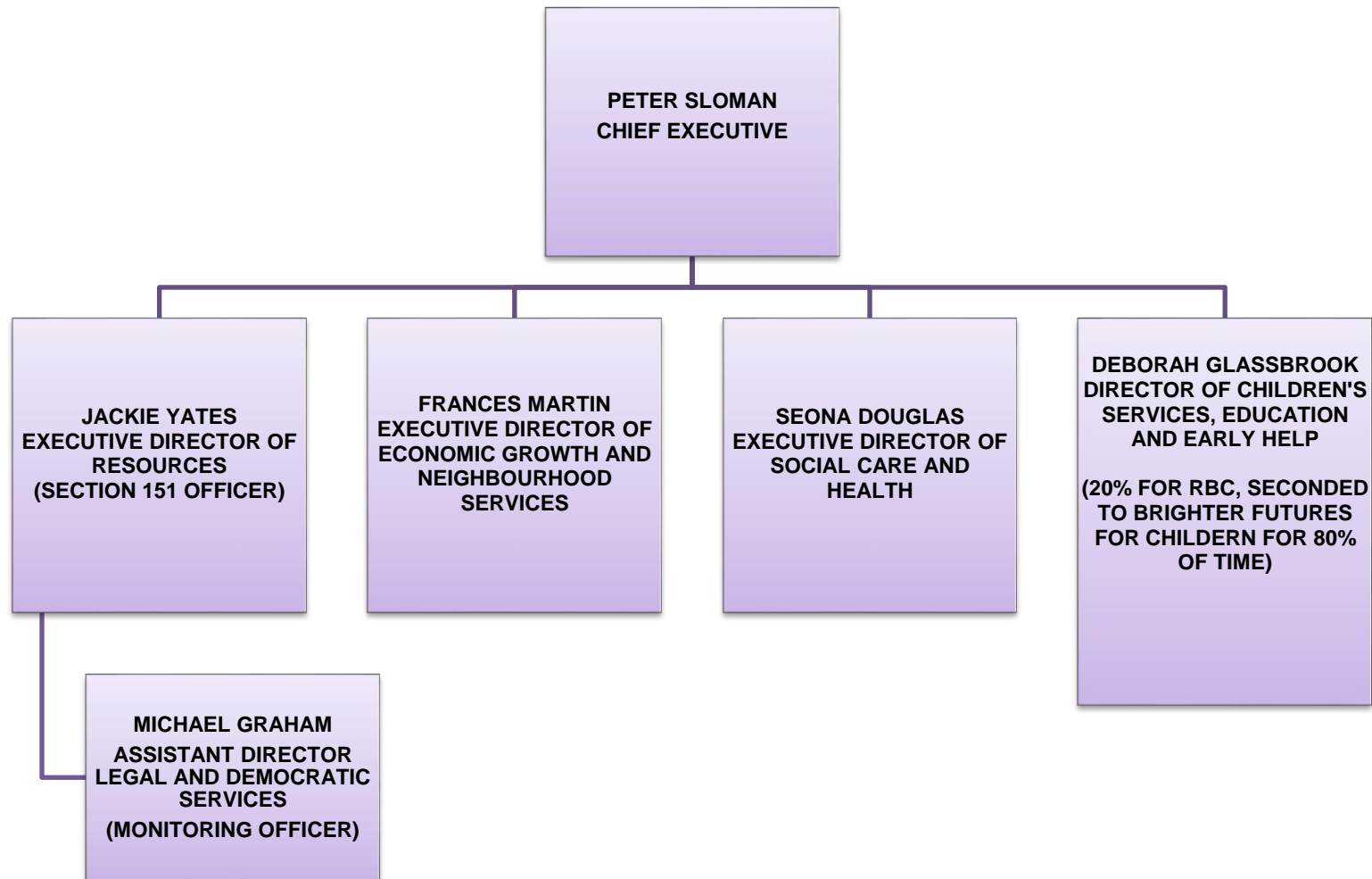
- 9.1 The proposals result in total additional salary costs of £38,335. This is comprised of £14,335 per annum paid to the Deputy Chief Executive post as an additional responsibility allowance for taking on additional responsibilities and for the extra 'acting up' in the statutory Head of Paid Service role in the Chief Executive's absence, and £24,000 per annum paid to the Director of Finance post as a market supplement in order to attract and retain a suitably qualified and high calibre applicant. The overall number of posts at senior management level remains the same.
- 9.2 The additional costs will be met from within existing salary budgets.

10. BACKGROUND PAPERS

- 10.1 None.

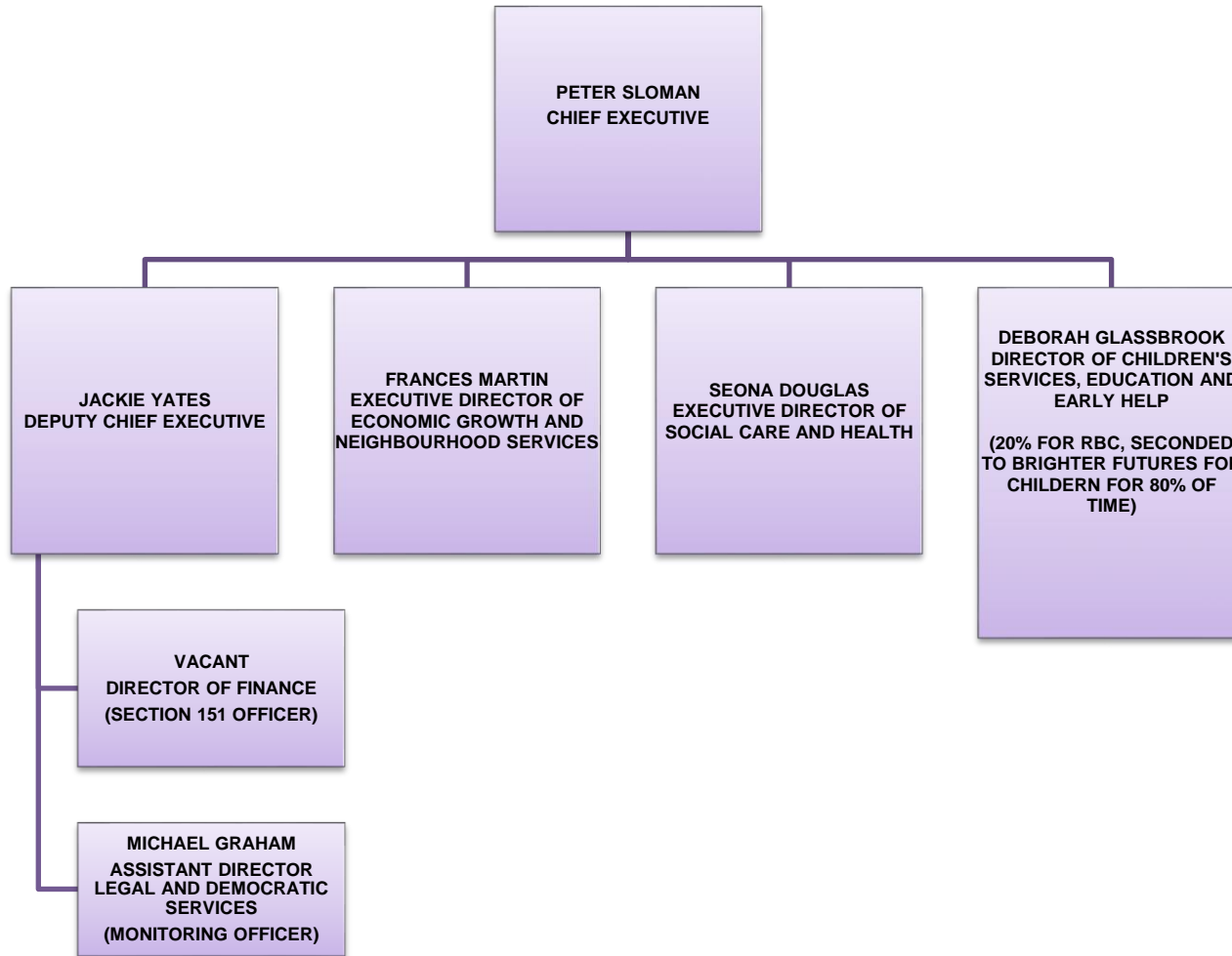
APPENDIX 1

CURRENT CORPORATE MANAGEMENT TEAM STRUCTURE



APPENDIX 2

PROPOSED CORPORATE MANAGEMENT TEAM STRUCTURE



APPENDIX C

SENIOR OFFICER SALARY BENCHMARKING - NEIGHBOURING UNITARIES AND WEST LONDON BOROUGHS

Data based on 2020/21 maximum salary rates unless indicated

Council	Chief Executive	Deputy Chief Executive	Executive/Corporate Director
Reading	£166,765	£152,430	£138,095
West Berkshire	£152,070	NA	£131,520
Wokingham	£155,000	£137,500	£123,965
Slough	£171,000	NA	£137,385
Bracknell Forest	£185,112	NA	£165,544
Windsor and Maidenhead	£149,073	NA	£134,997
LB of Hillingdon*	£260,513	£237,316	£191,755
LB of Ealing	£194,331	NA	£144,900
LB of Hounslow	£179,745	NA	£138,243
LB of Kingston upon Thames*	£189,000	NA	£143,000

*2019/20 pay data

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Article 12 - Officers

12.1 Management Structure

12.1.1 The authority may appoint and employ staff under Section 112 of the Local Government Act 1972. Staff are employed by the authority. Appointment of staff below deputy chief officer level must be the responsibility of the Head of Paid Service or his/her nominee.

12.1.2 Councils must include a standing order on the appointment of chief officers, the people who can or must be involved in the appointment of officers and disciplinary action against the Head of Paid Service, Chief Financial Officer and Monitoring Officer.

(a) General.

The authority may engage such staff (referred to as officers) as it considers necessary to carry out its functions.

(b) Chief Officers

The Council will confirm the appointment of the Chief Executive (Head of Paid Service) and the Personnel (Appointments) Committee will make appointments to the following posts (or such other similar posts as it may decide from time to time), who will be designated chief officers:

- Deputy Chief Executive
- Director of Adult Care and Health Services
- Director of Children's Services
- Director of Economic Growth & Neighbourhood Services

(c) Head of Paid Service, Monitoring Officer and Chief Finance Officer and Deputies

The Council has designated the following posts as shown:

- Chief Executive - Head of Paid Service
- Director of Finance - Chief Finance Officer and Section 151 Officer
- Assistant Director of Legal and Democratic Services - Monitoring Officer

The Local Authorities (Standing Orders)(England)(Amendment) Regulations 2015 prescribe that the dismissal of the Head of Paid Service, Monitoring Officer and the Chief Finance Officer must be confirmed by Council.

The Council has designated the following Deputy posts as shown:

- Deputy Chief Executive - Deputy Head of Paid Service
- Financial Planning and Strategy Manager - Deputy Chief Finance Officer and Deputy Section 151 Officer

Such posts will have the functions described in Article 12.2-12.4 below.

(d) Structure

The senior management of the Council is set out at Part 7 of this Constitution.

(e) Delegations

A considerable number of decisions are made by designated officers under approved delegated powers and a register of these is published on the Council's website and is available for inspection by Councillors and citizens on request. An officer may not take a key decision under the exercise of a delegated function, and all key decisions must be taken by full Council or a Committee. This process is described in Article 13.

In certain circumstances where there is no existing officer delegation, Directors and Statutory Officers may take decisions which are not key decisions in consultation with the relevant Lead Councillor, and subject to these decisions being recorded by using the Decision Book process. This process is described in Standing Order 42 (See the Rules of Procedure - Part 4 below)

12.2 Functions of the Head of Paid Service

- (a) **Discharge of functions by the Council**
The Head of Paid Service will report to full Council or the Policy Committee on the manner in which the discharge of the Council's functions is co-ordinated, the number and grade of officers required for the discharge of functions and the organisation of officers.
- (b) **Restrictions on functions**
The Head of Paid Service may not be the Monitoring Officer but may hold the post of Chief Finance Officer if a qualified accountant.

12.3 Functions of the Monitoring Officer

- (a) **Maintaining the Constitution.**
The Monitoring Officer will maintain an up-to-date version of the Constitution and will ensure that it is widely available for inspection by Members, staff and the public; and will advise on the application of the Constitution.
- (b) **Ensuring lawfulness and fairness of decision-making**
After consulting with the Head of Paid Service and Chief Finance Officer, the Monitoring Officer will report to the full Council or to a Committee if s/he considers that any proposal, decision or omission by that body would give rise to unlawfulness, or if any decision or omission has given rise to maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.
- (c) **Promoting and maintaining high standards of conduct by Members**
The Monitoring Officer will contribute to the promotion and maintenance of high standards of conduct through promoting the local Member Code of Conduct; providing advice and support to Members of the authority and to the Standards Committee on the Code; and operating the authority's procedure for dealing with complaints about Members. The Local Member Code of Conduct is in Part 5 of the Constitution. The terms of reference of the Standards Committee, and the procedure for dealing with complaints about Members, are in Article 9.
- (d) **Proper officer for access to information**
The Monitoring Officer will ensure that the decisions of the Council and its Committees, together with the reasons for those decisions and relevant officer reports and background papers, are made publicly available as required by the Access to Information Rules in part 4 of the Constitution.
- (e) **Advising whether decisions are within the policy framework.**
The Monitoring Officer will advise whether decisions of full Council and Committees are not contrary to the policy framework of the authority, under the Budget and Policy Framework Procedure Rules in Part 4 of the Constitution.
- (f) **Contributing to corporate management**
The Monitoring Officer will contribute to the corporate management of the Council, in particular through the provision of professional legal advice.
- (g) **Providing advice**
The Monitoring Officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to all Councillors.
- (h) **Restrictions on posts**

The Monitoring Officer cannot be the Chief Finance Officer or the Head of Paid Service.

12.4 Functions of the Chief Finance Officer

- (a) **Ensuring lawfulness and financial prudence of decision-making**
After consulting with the Head of Paid Service and the Monitoring Officer, the Chief Finance Officer will report to Council or Policy Committee, and the Council's external auditor, if s/he considers that any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause a loss or deficiency or if the Council is about to enter an item of account unlawfully.
- (b) **Administration of financial affairs**
The Chief Finance Officer will have responsibility for the administration of the financial affairs of the Council.
- (c) **Advising whether decisions are within the budget framework.**
The Chief Finance Officer will advise whether decisions of Council and its Committees are not contrary to, or not in accordance with the budget framework of the authority, under the Budget and Policy Framework Procedure Rules in Part 4 of the Constitution.
- (d) **Contributing to corporate management**
The Chief Finance Officer will contribute to the corporate management of the Council, in particular through the provision of professional financial advice.
- (e) **Providing advice**
The Chief Finance Officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to all Councillors and will support and advise Councillors and officers in their respective roles.
- (f) **Give financial information**
The Chief Finance Officer will provide financial information to the media, members of the public and the community.

12.5 Duty to provide sufficient Resources to the Monitoring Officer and Chief Finance Officer

The Council will provide Head of Paid Service, the Monitoring Officer and Chief Finance Officer with such officers, accommodation and other resources as are in their opinion sufficient to allow their duties to be performed.

12.6 Conduct

Officers will comply with the Officers' Code of Conduct and the Protocol on Officer/Member Relations set out in Part 5 of this Constitution.

12.7 Employment

The recruitment, selection and dismissal of officers will comply with the Officer Employment Rules set out in Part 4 of this Constitution.

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