

Council

18 July 2017

The Council's Senior Leadership Structure and Designation of Statutory Officers

Report by the Chief Executive

Purpose

To update on the development of a new senior leadership structure for the Council and to clarify the respective roles of the Chief Executive and the Senior Staff Panel in terms of organisational change and future appointments to senior posts.

To make arrangements for the designation of two statutory officer roles, on an interim basis, and to approve some related adjustments to the Council's Constitution

To Resolve that

1. the Council notes the latest position on the development of a new senior leadership structure and that permanent appointments to that structure will be dealt with by the Senior Staff Panel in the usual way;
2. Paragraph 11.01(b) of Article 11 of the Constitution, which sets out the range of posts at Director level, together with Part 7 (Senior Management Structure), be deleted.
3. the current remit of the Senior Staff Panel be revised to make it clear that the Panel is responsible for dealing with the posts of Chief Executive, SLT Directors and any posts holding a statutory officer designation if not at Director level;
4. the Head of Corporate Governance (currently Andrew Bessant) be designated as the Council's Monitoring Officer with effect from 6 July 2017 until an alternative appointment is made by the Council;
5. the Head of Finance - Strategy and Accounting (currently Jeremy Randall) be designated as the Council's S151 Officer with effect from June until an alternative appointment is made by the Council;
6. all references in the Constitution, particularly the Scheme of Delegation, Contract and Procedural Standing Orders that refer to the Corporate Solicitor (or Head of Legal Services), along with any specific authorities for that officer to act, be amended to read Monitoring Officer;
7. Article 11.01(c) of the Constitution be amended to reflect these interim designations and all relevant powers be delegated to those posts;
8. Standing Order No. 42(Sealing of Documents) be amended to provide that the Monitoring Officer (rather than the Head of Legal Services) shall have power to order the affixing of the Common Seal of the Council as appropriate to documents as necessary and that, in addition to the Monitoring Officer, the Deputy Monitoring Officer, (rather than Senior Principal Solicitor, Litigation and Corporate Team) shall also be able to attest the Sealing of a document, as referred to in Standing Order No. 42 (3); and
9. the Head of Paid Service, in consultation with the Monitoring Officer, be authorised to make any necessary amendments to the Constitution consequential on the foregoing decisions and as a result of the new Senior Leadership Team structure.

Key Points

- A. Following the publication of the Direction of Travel proposals and consideration of feedback from the related consultation process it is desirable to clarify the respective responsibilities of the Chief Executive and the Senior Staff Panel in relation to dealing with organisational change and, in particular, the proposed changes to the senior leadership structure and roles.
- B. Both the Corporate Solicitor and Monitoring Officer (Nick Bishop) and Director of Finance (Leigh Whitehouse) have recently left the Council's service. Both officers occupied statutory roles, namely the Monitoring Officer under the provisions of Section 5 of the Local Government and Housing Act 1989 and the Chief Finance Officer under the provisions of S151 of the Local Government Act, 1972. Interim designations are proposed.
- C. In addition, as a consequence of the departure of the Corporate Solicitor, a number of changes are needed to the Constitution, in particular the Scheme of Delegation, Contract and Procedural Standing Orders.

Direction of Travel / Senior Leadership Structure

- 1. A Direction of Travel paper was published on 2nd June 2017 and has been the subject of a consultation process with staff, and Members, which concluded on 26th June. The paper described the context for changes to the Council's organisational structures and set out proposals for the future Strategic Leadership Team (SLT) roles. This structural change is fundamental to help shape the future and continue with the transformation work Kingston has already achieved.
- 2. The intention is to move to an organisation which will have greater devolved decision making with higher levels of autonomy and increased digital capacity. The need for senior leadership capacity will therefore reduce in the longer term and the workforce will focus on work that adds best value and makes best use of resources.
- 3. The new SLT roles all need to incorporate an element of corporate, network and functional responsibilities which are then supported by the high impact and added value of the corporate core services that are networked across the organisation. This means they are more likely to add value to all leadership, management and change activity.
- 4. Currently the organisation lacks the leadership capacity to do this. A period of transition will require a transitional structure which needs to be fit for the purpose of providing effective and impactful leadership to deliver the Strategic Leadership Team's collective and individual objectives. It is essential that we recruit the right leadership style, expertise and impact to bring about the right programmes of change, as well as developing our own staff.

Senior Leadership Structure

- 5. The Direction of Travel paper set out a proposed senior leadership structure and, following feedback from staff, and advice from our appointed Executive Search Consultants, Gatenby Sanderson, we have now considered the shape, size and remit as well as the market intelligence on the recruitment to these roles. The final proposed structure and purpose of the new senior leadership roles was shared with Members of the Senior Staff Panel and the Corporate Leadership Group (CLG) earlier this month.

6. Although the Council's Constitution will shortly be subject to a more wide ranging review, discussions in relation to the Direction of Travel proposals and their implementation have identified an anomaly that would be helpful to resolve at this stage. Paragraph 11.01(e) of the Articles to the Constitution makes it clear that the Head of Paid Service (ie the Chief Executive) has authority to determine (and publicise a description of) the overall departmental structure of the Council. However, Paragraph 11.01(b) is rather more prescriptive in that it specifies a number of posts at Director level with functions and areas of responsibility.
7. In practice, over the years, various changes have been made to the senior management structure by successive Chief Executives in accordance with the authority given to the Head of Paid Service and the Council has subsequently been asked to approve updates to the table at paragraph 11.01(b). This has meant, however, that the actual senior management structure is often out of step with the related provision in the Constitution and, to overcome this, and in recognition of the authority the Head of Paid Service already has, it is proposed to delete that paragraph in its entirety.
8. In addition, Part 7 of the Constitution sets out the Council's current senior management structure. Again, this is often (as now) out of step with arrangements on the ground and, in order to avoid potential confusion, it is proposed that Part 7 is deleted. It will, however, remain a requirement to publish details of the senior management structure as part of the Local Government Transparency Code requirements. This, however, will be easier to update as and when required than a document enshrined in the Constitution that requires a formal Council decision to amend.
9. As the changes are made to the senior leadership structure, adjustments will need to be made to the Scheme of Delegations. The Council is asked to authorise the Head of Paid Service, in consultation with the Monitoring Officer, to make the necessary changes.

Senior Appointments

10. Whilst it is clear that the Chief Executive, as Head of Paid Service, has authority to determine the overall management structure for the Council, it has been the practice for appointments to posts at senior level to be undertaken by the Senior Staff Panel.
11. In relation to such appointments, the Panel's Terms of Reference currently provide that the appointment of the Chief Executive, Directors and posts graded at Chief Officer level should be the responsibility of the Panel. It is proposed to make a change to this arrangement and clarify that the Panel will be responsible for the appointment of the Chief Executive, SLT Directors and any posts holding a statutory officer designation if not at Director level. Thus, the Senior Staff Panel will be responsible for making appointments to the proposed new senior leadership structure and meet on 11 July to commence that process.
12. Appointments to posts below that level will continue to be made by senior officers in accordance with delegated powers.

Appointment of Statutory Officers

13. A local authority is legally required to designate certain statutory officer posts among which are the Monitoring Officer and the Chief Finance (Section 151) Officer. Nick Bishop, Corporate Solicitor, was the Council's Monitoring Officer but has now left the

Council's service. Similarly, Leigh Whitehouse, Director of Finance, was designated as the Chief Finance Officer but has also left the Council's employment.

14. Pending the finalisation of the new senior leadership arrangements and, in due course, the appointment of individuals to roles, it is necessary to appoint existing officers, on an interim basis, to act as the Monitoring Officer and the Chief Finance Officer respectively.

Monitoring Officer

15. The primary role of the Monitoring Officer is to ensure lawfulness and fairness of decision making. The Monitoring Officer contributes to the promotion and maintenance of high standards of conduct through the provision of support to the Audit, Governance and Standards Committee. They are also responsible for the maintenance of the Register of Members' Interests and the separate Register of Gifts and Hospitality.
16. The Monitoring Officer provides advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, and budget and policy framework issues to all Councillors. The post holder cannot also be the Chief Finance Officer (but could be the Head of Paid Service) and does not have to be legally qualified.
17. Legislation provides that the duties of the Monitoring Office must be performed personally by the individual designated but they may themselves appoint a Deputy to act in their absence or illness. Following the departure of the Corporate Solicitor the Monitoring Officer role was initially undertaken by the Deputy previously appointed by Mr Bishop, (the Assistant Head of Law, Planning and Highways at the South London Legal Partnership). Once, however, Mr Bishop's service with the Council formally ended on 5 July, his appointment of a Deputy was no longer effective. The Chief Executive, using her authority as Head of Paid Service, designated the Head of Corporate Governance (Andrew Bessant) to undertake the role from 6 July subject to the formal decision of Council at this meeting.

Chief Finance Officer

18. Similarly, in relation to the Director of Finance, an interim arrangement needed to be made following the departure of the Director of Finance, particularly, as, unlike the Monitoring Officer role, there is no specific provision in legislation for the appointment of a deputy. Following Leigh Whitehouse's departure in late June the Chief Executive, using the same authority, designated the Head of Finance - Strategy and Accounting (Jeremy Randall) to fulfill the role subject to the decision of Council.
19. Section 151 of the Local Government Act, 1972, requires each local authority to ensure that one of their officers has responsibility for the proper administration of their financial affairs. The Council's own Constitution describes the functions of the Chief Finance officer as being to ensure lawfulness and financial prudence of decision making.
20. The Chief Finance Officer contributes to the corporate management of the Council, in particular through the provision of professional financial advice. They also 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 support and advise councillors and officers in their respective roles.
21. Accordingly the Council is asked to formally designate the Head of Corporate Governance and the Head of Finance - Strategy and Accounting to act as Monitoring Officer and Chief Finance Officer respectively until such time as the

current review of senior leadership arrangements has been completed and appropriate alternative arrangements are made.

Other Constitutional Changes

22. In relation to the former Corporate Solicitor there are a number of delegations and references in the Constitution, particularly the Scheme of Delegation and Procedural and Contract Standing Orders to that officer (though, in some instances, the reference is to the Head of Legal Services which is the previous post title). It is proposed that for purposes of this interim arrangement, all such references be amended to refer to the Monitoring Officer.
23. Standing Order No. 42 deals with the sealing of documents and currently provides that the Head of Legal Services shall have power to order the affixing of the Common Seal of the Council as appropriate to documents as necessary. Whilst, if the proposal set out in paragraph 22 is adopted, that responsibility will pass to the Monitoring Officer, it is proposed that a now out of date reference in Standing Order No. 42 (3) to the Senior Principal Solicitor, Litigation and Corporate Team be amended to Deputy Monitoring Officer, who, along with the Head of Corporate Governance, would also be able to attest the Sealing of a document, in the absence of the Monitoring Officer.
24. Article 11.01(c) of the Constitution deals with the various statutory officer posts and designates the officer who performs each. This will need to be amended to reflect these interim designations.

Consultations

25. The Direction of Travel proposals have been the subject of widespread consultation with Members and staff. In relation to the designation of Statutory Officers, consultations have been undertaken with both officers concerned.

Timescale

26. In relation to the new senior leadership structure it is envisaged that appointments will have been made to all of the new roles by October with, in relation to external candidates, individuals in post early in 2018.
27. Subject to Council approval, the interim appointment of statutory officers will remain in place until the current review of the senior leadership arrangements has been completed and the Council is asked to change the designations.

Resource Implications

28. The cost of the new senior leadership structure will be less than the current budget. The officers designated to undertake the Monitoring Officer and Chief Finance Officer roles will receive an appropriate special responsibility payment whilst performing the roles commensurate with the additional responsibilities they will be undertaking. These costs can be met from the Budgets for the substantive posts.

Legal Implications

29. It is a statutory requirement to designate officers as the Council's Monitoring Officer and Chief Finance Officer. The relevant provisions are Section 5 of the Local Government and Housing Act 1989 for the Monitoring Officer and a under the provisions of S151 of the Local Government Act, 1972 for the Chief Finance Officer.

Equalities Impact Assessment

30. Not required.

Environmental Implications

31. None arising from this report.

Background papers held by Andrew Bessant, Head of Corporate Governance, tel 020 8547 4628 email: andrew.bessant@kingston.gov.uk

- Council Constitution
- Chief Executive's Direction of Travel Proposal
- Report to Senior Staff Panel