

# Delegated Decision Report

Decision below £250k



<b>Subject:</b>	Appointment of interim Director of Finance – exemption of Council Contract Procedure Rules
<b>Decision maker: Senior Officer</b>	Mike Barker, Deputy Chief Executive – People
<b>Decision maker: Cabinet Member</b>	Cllr Abdul Jabbar - Cabinet Member for Value for Money and Sustainability
<b>Decision date:</b>	28 January 2025
<b>Report author:</b>	Steve Hughes, Assistant Director of Strategy & Transformation
<b>Ward (s):</b>	All

## Reason for decision

This DDR looks to approve an exemption of Contract Procurement Rules (CPRs) as we seek to appoint an interim Director of Finance & S151 to ensure vital capacity in the leadership team following the resignation of the substantive post-holder for a new role closer to home.

## Recommendation(s)

1. Appoint an interim Director of Finance & S151 in-line with the proposal outlined below
2. Note an appropriate recruitment process has been followed to find and interview potential candidates
3. That we seek to engage with Gatenby Sanderson as a direct appointment via an exemption as non-compliant with CPRs

## Background

### Senior Leadership Recruitment and Interim Arrangements

Over the coming months, we will see significant changes to our senior leadership team, with two key director roles leaving the organisation: the **Director of Finance (Section 151 Officer)** and the **Director of Economy**. These vacancies, alongside an existing gap in our leadership team (**Director of Technology**), present an opportunity to ensure we have the capacity and expertise needed to address our strategic priorities.

### Current Budget Allocations for Key Roles

To provide context, the full-year salary allocations for this role (inclusive of on-costs) is £150,600

### Strategic Context and Immediate Priorities

The interim period presents unique challenges that require focused leadership across the Technology function. Our critical priorities include:

- Preparing and delivering a balanced budget for April 2025.
- Driving forward our new transformation programme – ‘Ready for the Future programme’ and our medium-term financial strategy work.
- Progressing our strategic place development initiative, "Creating a Better Place."

- Leveraging technology to underpin our reshaped transformation plan.

To address these priorities, it is essential to ensure senior-level capacity in these key areas.

### **Interim Leadership Proposal**

To maintain momentum and ensure strong leadership, we propose recruiting an interim Director of Finance. The Interim Assistant Director: HR & OD, in collaboration with the Assistant Director: Strategy & Transformation, will engage executive search firms to identify suitable interim candidates.

The expected interim rates are - £1,250 per day - 5 days per week for 6 months – Assumed start date: 01/03/2025. The agency rate offered by Gatenby Sanderson is expected to be 15%. This is an interim arrangement during which, a permanent arrangement will be developed.

### **Reasons for outside of Oldham Managed Service Provider (MSP) decision**

The Council has an agreement in place with an MSP, REED for the recruitment of interim staff. However, this arrangement is not always appropriate for specialist or senior positions and so alternative agencies needed to be engaged.

This DDR looks to seek an exemption from Council CPRs, in order to gain specialist knowledge in these roles. Previous experience has found that REED are often not able to provide appropriate CV's at this specialist and senior level. Although this option could be explored first, this would take additional time to recruit into this role where the appointment is time critical.

An alternative option was considered in seeking to appoint Gatenby Sanderson via compliant frameworks held by other organisations. These included ESPO, LGRP and CCS. However, upon review unless conducting a mini competition the Gatenby Sanderson rates agreed under these frameworks (where direct award was permitted without a desktop calculation), were significantly higher than those being offered directly to Oldham:

ESPO: Gatenby Sanderson 19% (as opposed to the 15% offered)

LGRP: Gatenby Sanderson 18% (as opposed to the 15% offered)

CCS rates were not available to view online.

### **Alternative option(s) to be considered** *(please give the reason(s) for recommendation(s))*

- Option 1 – consider the use of compliant frameworks using further competition to seek a range of CV's in a competitive environment (this does not offer the swift turnaround required for these roles)
- Option 2 - Simply recruit via the Greater.Jobs website seeking applications for interim appointments (this would be a long process with no external support in the screening and recruitment process)
- Option 3 – Push forward with the recommendations in the report

**Consultation** *(include any conflict of interest declared by relevant Cabinet Member consulted)*

Consultation with the cabinet member has been completed.

## Risks

- **Financial risks** – the councils finances are under pressure and the costs of bringing in specialist support to ensure we have the right skills and capacity will have an impact on our budget, but we have mitigations in place to ensure this is kept to a minimum
- **Recruitment risks** – If permanent recruitment takes longer than anticipated, we could face extended reliance on interim appointments. There is also a risk that executive search companies struggle to find suitable candidate quickly, delaying appointments.

## Implications

Financial	<p>There are two parts to this request:</p> <p>1) <u>Interim Director arrangements for the following posts:</u></p> <ul style="list-style-type: none"> <li>• Director of Finance (Section 151 Officer): £1,250 per day - 5 days per week for 6 months – Assumed start date: 01.03.2025.</li> </ul> <p>Please note: The daily rates have been estimated and are subject to an additional 13% and 20% (respectively) in agency fees.</p> <p>2) <u>Permanent recruitment of the Following Director posts:</u></p> <ul style="list-style-type: none"> <li>• Director of Finance (Section 151 Officer): Assumed start date: July 2025. The cost for 2025/26 is £114k (including on costs)</li> </ul> <p><u>Financial Impact</u></p> <p>As the interim arrangements span over two financial years, the table below details the financial impact on salary budgets for 2024/25 and 2025/26.</p>																							
	<table border="1"> <thead> <tr> <th>Job Title</th> <th>Annual Budget £</th> <th>24/25 Agency £</th> <th>24/25 Permanent £</th> <th>24/25 Total £</th> <th>25/26 Agency £</th> <th>25/26 Permanent £</th> <th>25/26 Total £</th> </tr> </thead> <tbody> <tr> <td>Director of Finance</td> <td>(152,480)</td> <td>26,520</td> <td>121,610</td> <td>148,130</td> <td>132,500</td> <td>114,360</td> <td>246,860</td> </tr> </tbody> </table>								Job Title	Annual Budget £	24/25 Agency £	24/25 Permanent £	24/25 Total £	25/26 Agency £	25/26 Permanent £	25/26 Total £	Director of Finance	(152,480)	26,520	121,610	148,130	132,500	114,360	246,860
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	<p>In addition to this, the Senior Management Team (SMT) have submitted a proposal to recruit to a further two vacant posts within their structure.</p> <p>If approved, the revised financial projections for month 10 will be a (£60k) underspend.</p> <p>The proposal will result in a small underspend against the annual budget set for 2024/25, and a budget pressure in 2025/26 of approximately £94k. (This includes a handover period of one month between July and August 2025)</p>																							

	<p><i>Matthew Kearns, Finance Manager</i> <a href="mailto:Jamie.Kelly@oldham.gov.uk">HYPERLINK "mailto:Jamie.Kelly@oldham.gov.uk"</a></p>
HR	<p>There are no HR implications, however the post must be recruited to in accordance with council policies and procedures.</p> <p><i>Wendy Jackson – Interim Assistant Director of Human Resources</i></p>
Legal	<p>It is a statutory requirement that the Council appoint to this post. Under s151 of the LGA 1972, a local council must appoint:</p> <p>“An officer to administer their finances and ensure all legislation to meet the Transparency and Accountability regulations is complied with”.</p> <p>This officer is known as either the Responsible Financial Officer (RFO) or the “151 officer”.</p> <p>Failure to appoint to this post will mean that the Council is not legally compliant and is missing a statutory post.</p> <p><i>Alex Bougatef – Interim Borough Solicitor.</i></p>
Procurement	<p>Director of Finance At an estimated day rate of £1,250, 5 days a week over 6 months including the agency fee of 13% this equates to £169,500 approx. This requires exemption of CPRs but does not hit the threshold of £214,904 of the Public Contracts Regulations 2015. This agency rate proposed is 5% to 6% less than that offered under any compliant frameworks.</p> <p>Section 21 of the CPRs provides the details of exemptions which may apply in the cases of exceptional circumstances. None of those listed appear to justify this contract award but 21.3 states ‘Exemptions will only be considered in exceptional circumstances, including but not limited to:’. It is not known what has led to any delays in seeking to fill the roles but at this level the amount of time expected to undertake and conclude an interim hire will likely match or exceed the notice period on offer from the post holder and as such, these requirements are now urgent in terms of ensuring strategic direction and consistency in services areas which will suffer in operations as a result of the lack of accountable leadership. In addition it is noted that that there is a statutory requirement for the council to appoint a Section 151 Officer, making the recruitment for the Director of Finance a critical priority.</p> <p>Any extension to this interim arrangement should be discussed early on with the Commercial Procurement Unit so that costs can be monitored. Even a short extension could lead to reaching the FTS threshold under which Public Contracts Regulations 2015 would apply.</p> <p>Procurement would always recommend a competitive process to seek value for money and fully explore the options of candidates available in order to comply with CPRs (and where applicable PCR2015).</p> <p><i>Jasmin Banks-Lee, Head of Commercial Procurement Unit</i></p>

Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution?	Yes
Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the Council's budget?	Yes
Are any of the recommendations within this report contrary to the Policy Framework of the Council?	No
Report author sign-off	 Steve Hughes
Role	Assistant Director of Strategy & Transformation
Date of sign-off	28 January 2025

<b>Approval</b>	
Officer approval sign-off	 Mike Barker
Role	Deputy Chief Executive – People
Date of sign-off	28 January 2025

<b>Approval</b>	
Member(s) approval sign-off	
Role	Cllr Abdul Jabbar - Cabinet Member for Value for Money and Sustainability
Date of sign-off	28 January 2025

