

Subject: Recruitment of S151 Financial Officer (Finance Director)
Author: Stephen Hipwell, Head of Human Resources
Sponsor: Martin Tugwell, Chief Executive
Meeting Date: Tuesday 26 July 202

1. Purpose of the Report:

- 1.1 In accordance with the terms of reference of the General Purposes Committee this report details the proposed process and timetable for the recruitment to the statutory officer role of S151 Financial Officer (Finance Director). It outlines the Constitutional requirements, the way forward, and the matters that will require Board approval.
- 1.2 It is permissible for the business in this report to be conducted electronically and through a Chief Executive Consultation Call because:
- (a) the Chief Executive has delegated powers to take any action which is required as a matter of urgency in the interests of Transport for the North, in consultation (where practicable) with the Chair or Members of Transport for the North (Paragraph 18.8 (e) of TfN's Constitution);
 - (b) owing to present issues in identifying a suitable date for a quorate in-person meeting of the General Purposes Committee, and because the need to commence the recruitment process is pressing in order to accord with the timing of TfN's Business Planning process, as such the matter is one of urgency.

2. Recommendations:

- 2.1 That the General Purposes Committee:
- **Notes** TfN's revised director-level management structure (operating model) as attached at Appendix 1;
 - **Agrees to TfN progressing** with recruitment to the role of S151 Financial Officer (Finance Director);
 - **Notes** the Constitutional provisions in relation to the appointment of this statutory officer role;
 - **Approves** the proposed Role Profile as attached at Appendix 2;
 - **Recommends to Board to set up** an Appointment Sub-Committee and make selection of a preferred candidate for appointment as detailed at paragraph 3.6;
 - **Approves** the proposed Terms of Reference for the Appointment Sub-Committee as attached at Appendix 3 and the indicative timetable at Appendix 4;
 - **Raises** any matters concerning the appointment process which it would wish the Appointment Sub-Committee to consider.

3. Main Issues:

- 3.1 Aligned to the Business Planning Process for FY2022/23, as previously reported to TfN Board, TfN's Chief Executive (Head of Paid Service) has undertaken a review and re-designed of TfN's Director-Level Management Structure to ensure this best meets the future needs of the business.

- 3.2 Following the completion of consultation with UNISON and employees directly impacted; the revised Director-Level structure (operating model) has now been finalised and is detailed at **Appendix 1**.
- 3.3 The review of the Director-Level structure has included the re-design of the vacant statutory officer role of S151 Financial Officer (Finance Director) currently being undertaken on an interim basis by TfN's Financial Controller to ensure the role remains fit for purpose.
- 3.4 The authority to lead all required recruitment proposes to statutory officer roles was delegated to the General Purposes Committee by the TfN Board at its meeting on 30 June 2022, noting that approval to appoint any recommended preferred candidate identified remains a reserved matter for the TfN Board.
- 3.5 Previous statutory officer recruitment processes (excluding actual appointments, which are for Board to confirm) have been undertaken by ad hoc panels. General Purposes Committee now has delegated authority to undertake the role previously fulfilled by the ad hoc panels. It is however suggested that setting up a sub-committee of General Purposes Committee to undertake the interview and selection process would be simpler in terms of Member attendance, whilst maintaining broad Member input. It is therefore proposed that Board be recommended to set up an Appointment Sub-Committee of General Purposes Committee. If supported, this will be reported to Board in September for approval and would enable the Appointment Sub-Committee to undertake its work in accordance with the proposed timetable at Appendix 4.

The role

- 3.6 The proposed role profile for role of S151 Financial Officer (Finance Director) is attached at **Appendix 2**.

Constitutional Provisions

- 3.7 The Prescribed Standing Orders Relating to Staff within TfN's Constitution which comply with legal requirements set out in the Local Authorities (Standing Orders) (England) Regulations 2001 ("the Standing Orders") stipulate that appointment of all statutory officers, including the S151 Financial Officer (Finance Director), shall be made by TfN Board; this function cannot be delegated.
- 3.8 The Standing Orders also provide that where a Committee or Sub-Committee is discharging, on behalf of TfN Board, the function of appointment of any TfN Statutory Officer, the TfN Board must approve that appointment before an offer of appointment is made to that person(s). It should be noted that the word "panel" may, if desired, be used in place of "Committee" or "Sub-Committee."

The Appointment Sub-Committee

- 3.9 It is proposed to establish an Appointment Sub-Committee (made up of a Sub-Committee of General Purposes Committee Members led by the Chair of General Purposes Committee) to undertake the required recruitment processes to this role on behalf of the wider General Purposes Committee.
- 3.10 TfN is not subject to political balance rules in the Local Government and Housing Act 1989 but has endeavoured to align membership of ad hoc panels with it as far as possible. TfN's Board and General Purposes Committee have, as a matter of choice, quorum rules which include not only numbers of members, but also voting powers. However, for a sub-committee it is only legally necessary for quorum to be not less than 3 members, and voting can be one member, one vote, if Members so choose.

It is suggested that, as has been the case for ad hoc appointment panels, and for ease, voting on the proposed Appointment Sub-Committee be one member, one vote.

- 3.11 The proposed Terms of Reference for this Appointment Sub-Committee is attached at **Appendix 3**.

It is proposed that the Appointment Sub-Committee is formed of the following:

- TBC, TfN GPC Chair
- (To be appointed), TfN GPC Member (Labour Party Group Representative)
- (To be appointed), TfN GPC Member (Conservative Party Group Representative)
- (To be appointed), TfN GPC Member (Other Minority Party Group Representative)
- (To be appointed), TfN GPC Member (LEP Member)
- Martin Tugwell, TfN Chief Executive – Observer Capacity (non-voting)

The Recruitment Process

- 3.12 The proposed recruitment process has been worked through in detail by TfN's HR Team and is detailed at **Appendix 4**.
- 3.13 It is proposed that following Board approval to the establishment of an Appointment Sub-Committee, a meeting with the of it is convened as soon as possible thereafter to agree the recruitment process, including taking suggestions from Members; shortlisting candidates after a search; conducting interviews; and making the required recommendations of candidates for appointment, anticipated to be by way of a report to the December meeting of the TfN Board.
- 3.14 The following points are for noting:
- It is proposed to formally launch the required recruitment campaigns W/C 29 August 2022;
 - As key leadership role, TfN has appointed an executive search agency to oversee the headhunting and search elements of the process.
- 3.15 A staged recruitment process is proposed to include a sub-committee interview and candidate presentations, alongside psychometric testing for leadership and behavioural qualities.

Short-Term Arrangements

- 3.16 In January 2022, the TfN Board approved that TfN's Financial Controller undertake the role of S151 Financial Officer on an interim basis following the departure of the previous incumbent. These arrangements will remain in place until the permanent appointment is made and the incumbent has commenced in role.

Other Required Senior Level Recruitment

- 3.17 As outlined above TfN's Chief Executive (Head of Paid Service) has undertaken a review and re-designed of TfN's Director-Level Management Structure to ensure this best meets the future needs of the business and has led to the creation of following director roles:
- Rail & Roads Director
 - Strategy, Policy & Communications Director
- 3.18 Whilst in accordance with TfN's Constitution appointments to non-statutory officer roles such as the above is delegated to TfN's Chief Executive, given these are key leadership roles, it is TfN's intention to invite a cross-section of TfN Board/General Purpose Committee Members to form part of the required recruitment panels for these appointments.

3.19 Timescales for recruitment to these roles will be similar to those proposed and as set out within this report for the S151 Financial Officer (Finance Director). Likewise, TfN has appointed an executive search agency to oversee the headhunting and search elements of the process for these roles in addition to S151 Financial Officer (Finance Director) recruitment.

4. Corporate Considerations

Financial Implications

4.1 The financial implications have been considered and addressed within the report.

Resource Implications

4.2 The resource implications have been considered and addressed within the report.

Legal Implications

4.3 The legal implications have been considered and addressed within the report.

Risk Management and Key Issues

4.4 The risk management and key issues have been considered and addressed within the report.

Environmental Implications

4.5 No environmental impact.

Equality and Diversity

4.6 The equality and diversity implications have been considered and addressed within this report.

Consultations

4.7 There was no consultation required.

5. Background Papers

There are no background papers.

6. Appendices:

Appendix 1 - TfN Director-Level Management Structure

Appendix 2 - S151 Financial Officer (Finance Director) Role Profile

Appendix 3 - Draft Appointment Sub-Committee Terms of Reference

Appendix 4 - Draft Indicative Recruitment Timetable

Glossary of terms, abbreviations and acronyms used (*if applicable*)

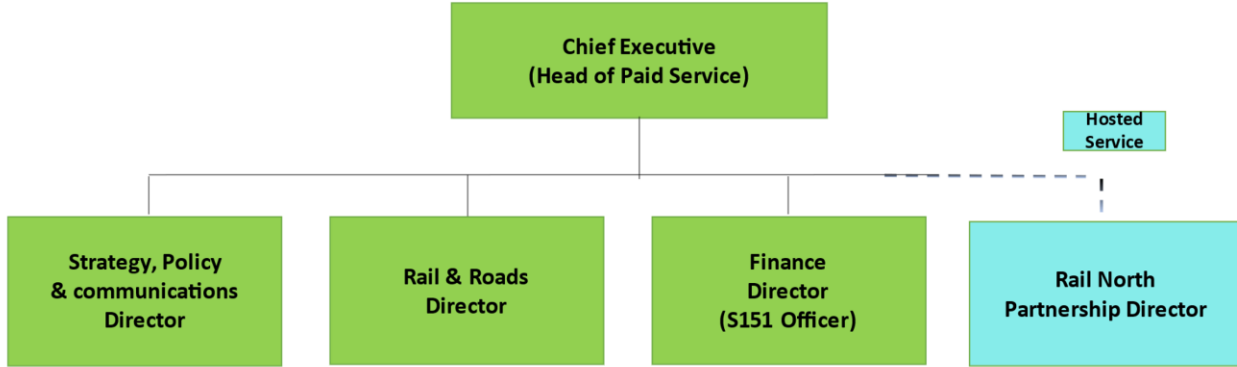
Please include any technical abbreviations and acronyms used in the report in this section.

TfN – Transport for the North

GPC – General Purpose Committee

ASC – Appointment Sub-Committee

Appendix 1 – Revised Director-Level Management Structure



Role Profile



Finance Director

POLITICALLY RESTRICTED POST

- Job Family:** Leadership
- Grade:** Leadership Level 1 Lower
- Contract:** Full-time, Permanent
- Reports to:** Chief Executive
- Location:** Flexible across the North of England, but with a requirement to regularly work from our offices in Manchester



Role Purpose:

Lead the Finance, Risk & Procurement Function, acting as a trusted advisor, providing recommendations and challenges to senior management to guide decision-making on matters that affect the strategic direction of TfN. You will be expected to contribute to the development of strategic objectives and long-term plans.

Act as the organisation’s designated S151 Chief Financial Officer ensuring compliance with all statutory requirements including local government and central government financial management and accounting requirements.

The postholder is also TfN’s designated Senior Information Risk Officer (SIRO).

Key Accountabilities

Key Role Outputs (KROs) <i>What must be achieved for the post-holder to be successful in the role</i>	Key Actions <i>How the KROs will be achieved – the activities required</i>
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1.	Leadership	<ul style="list-style-type: none"> • Create a positive and productive climate through impactful leadership as part of the senior management team by engaging and enabling employees to be the best they can be. Role model cultural and behavioural norms to inspire confidence and commitment to TfN’s goals. • Provide strong, visible and collective leadership as a member of the TfN Leadership Team across a complex and unique governance structure, both internally and externally, across the public and private sector to achieve the ambitions of economic growth for the North. • Live the values of the organisation and set an example for the rest of the organisation in how these should be applied when working both internally and externally.
2.	Strategy and Planning	<ul style="list-style-type: none"> • Own and ensure that the outputs from the Finance, Risk & Procurement Function are fully integrated into the on-going development, update and delivery of TfN’s long term, multi-modal statutory strategy (Strategic Transport Plan), taking responsibility for the evidence base and business cases that will support decision making. • Communicate TfN’s strategic plans throughout the Finance, Risk & Procurement Function ensuring high levels of awareness and engagement.
3.	Programme Management	<ul style="list-style-type: none"> • Lead all aspects of TfN’s programme management and assurance services and manage the framework within which these functions operate.

		<ul style="list-style-type: none"> • Ensure that robust audit and risk practices are undertaken to ensure quality assurance and that standards for strategy delivery and programme & project management are maintained.
4.	Commissioning	<ul style="list-style-type: none"> • Act as the intelligent client for all outputs and services across the Finance, Risk & Procurement Function, including that undertaken by third parties or consultants within direct work areas, ensuring all requirements and outputs are continuously delivered to agreed standards, time and budget.
5.	Performance	<ul style="list-style-type: none"> • Develop and inspire leadership at all levels across the Finance, Risk & Procurement Function, both internally and externally, to encourage a culture of high performance focussed on supporting the delivery of TfN's strategic objectives by being part of the TfN Leadership Team.
6.	Financial Management	<ul style="list-style-type: none"> • Have overall financial accountability and responsibilities for the Finance, Risk & Procurement Function, ensuring that resources are used in a way that demonstrates value for money, a focus on delivering intended outcomes and compliance with statutory and financial regulations.
7.	Stakeholder Management	<ul style="list-style-type: none"> • Foster long standing relationships with all TfN partners (including Combined Authorities and their Members, LEPs, other Transport Authorities across the North, Central Government, NDPBs and the Private Sector) necessary to support and deliver the objectives of TfN as an organisation.

Key Deliverables

1.	Lead TfN's financial management and budget strategy ensuring it fully supports TfN's strategic priorities	<ul style="list-style-type: none"> • Lead TfN's short and long-term financial management, treasury management and budget strategy, externally and internally, seeking to ensure that this effectively supports the strategic objectives and priorities set for TfN. • Act as TfN's designated Section 151 Chief Financial Officer ensuring that all of TfN's activities and business is carried-out in-line with all statutory requirements including local government and central government corporate governance, audit and risk, financial management and accounting requirements. • Lead TfN's annual business planning process, the preparation of the TfN budget and the monitoring, the evaluation of all budgetary information, and achievement of financial targets set.
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		<ul style="list-style-type: none"> • Ensure that all financial expenditure meets the requirements of funding bodies (in particular the DfT) and is in-line with all statutory requirements including local government and central government accounting requirements.
2.	Lead the provision of fit for purpose financial systems, processes and procedure for TfN	<ul style="list-style-type: none"> • Define, manage and monitor of all financial management procedures and processes including those associated with financial and treasury management (including income collection and payments), procurement, audit and risk to ensure the effective management of all budgets and resources and achievement of financial efficiency. • Manage and monitor all procedures and processes to ensure effective management of capital projects. • Manage the delivery of all required staff training, guidance and support on all financial processes, procedures and systems to ensure continual compliances with all financial related requirements.
3.	Financial accounting and reporting and preparation of statutory returns completed to required standards and timescales	<ul style="list-style-type: none"> • Ensure that the procedures, controls and outputs for all financial accounting are in place and compliant with best practice. • Deliver a "clean" audit report, ensuring that any issues raised are handled professionally and satisfactorily and are dealt with on a timely basis. • Establish and maintain procedures to ensure the timely production of statutory financial returns e.g. Corporation Tax/VAT/PAYE and statutory returns.
4.	Effective management accounting service provided to all of TfN	<ul style="list-style-type: none"> • Provide monthly management accounts reporting and supported by a comprehensive business planning and budgeting framework (Integrated Planning Process) and rolling outturn forecasting. • Provide support and feedback to budget holders on actual and forecast variances and provision of an on-going finance support service. • Provide relevant and timely historic and forward-looking financial management information to assist the monitoring of financial performance and support decision-making.
5.	Effective financial appraisal and	<ul style="list-style-type: none"> • Provide commercial input and financial appraisal in respect to all revenue and expenditure.

	<p>funding models for TfN's Investment Programme</p>	<ul style="list-style-type: none"> • Assist in the preparation of business cases and support the development and delivery of the financial appraisal of all proposed projects, programmes and funding bids ensuring all such proposals are financially and commercially sound. • Support the development of funding models to support the delivery of TfN's investment programme including liaison with DfT, HMT, partner bodies, funding institutions and businesses. • Support the development of commercial opportunities to maximise "local/northern" contributions to the overall funding of TfN's investment programme.
<p>6.</p>	<p>Lead the provision of fit for purpose audit & risk management arrangements for TfN</p>	<ul style="list-style-type: none"> • Manage the implementation of a robust audit and risk programme that will ensure compliance with mandatory legislation, financial and corporate best practice requirements. • Ensure there are effective internal audit and risk management functions to assist management in providing effective arrangements for financial, legislative, regulatory and performance scrutiny. • Provide advice on audit and risk management issues associated with TfN taking proactive action to ensure that all TfN activities, projects and programmes are evaluated to ensure risk management plans and information are available for major reviews and reports. • Provide advice on anti-fraud and anti-corruption strategies and measures ensuring TfN has fit for purpose strategies and arrangements in place at all times. • Act as TfN's designated Senior Information Risk Officer ensuring that TfN has all necessary information management risk processes and procedures in place at all times.
<p>7.</p>	<p>Lead the provision of fit for purpose procurement management arrangements for TfN</p>	<ul style="list-style-type: none"> • Manage the implementation of innovative and cost-effective procurement practices and functions that continue to ensure cost efficiencies and best value for the organisation. • Oversee the development TfN's commercial and contractual capabilities to support cost effective and efficient procurement.

8.	Effective engagement with key stakeholders and partners	<ul style="list-style-type: none"> • Develop close links with key northern partners, the Department for Transport, National Highways, HS2 Ltd, Network Rail, Great British Railways and other Government agencies. • Develop close links with private sector funding organisations to maximise opportunities for external funding. • Build and maintain relationships with external parties including Key suppliers of financial services, Banks and other funding organisations.
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Compulsory Outputs (COs) <i>What must be achieved for the post-holder to be successful in the role</i>	Key Actions <i>How the COs will be achieved – the activities required</i>
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1.	Ensure you comply with all applicable organisational legislation and policy:	<ul style="list-style-type: none"> • TfN’s Safety Management System. • TfN’s Dignity at Work policy. • TfN’s Diversity Policy and Charter • GDPR and Freedom of Information. • Risk management. • TfN policies and procedures. • TfN Vision, Values and behaviours. • DfT policies and procedures where applicable.
2.	Any other reasonable duties as required from time to time	<p>The post holder is expected to:</p> <ul style="list-style-type: none"> • Conduct themselves in a professional manner and with due courtesy at all times. • Be flexible within the workplace and adapt to meet the requirements of an evolving organisation.

Key Interdependencies:

Key Contacts	<ul style="list-style-type: none"> • Department for Transport (DfT) • HM Treasury (HMT) • National Agencies including Network Rail, Great British Railways, National Highways and HS2 Limited • Funding institutions and businesses • TfN’s Boards • TfN Leadership Team • Colleagues within the wider TfN team • Senior Executives & Members of the various Combined Authorities, PTE’s and Local Authorities across the North of England
Direct Reports	<ul style="list-style-type: none"> • Risk Manager • Procurement Manager • Financial & Management Accountant • Financial Accountant • Finance Officer

**Budgetary
Responsibility**

- Lead the financial management of TfN’s corporate revenue budget of circa £9m per annum.
- Oversee funding received for the delivery of modelling, analysis & appraisal services to the DfT circa £1.5m for staffing and circa £4m for associated support contracts.
- Oversee the ‘client side’ management and delivery of the rail service contracts across the North of England (delivered via the Rail North Partnership) with a value of c.£500 million per annum.

Politically Restricted Post:

This post is a politically restricted meaning the postholder must refrain from participating in any political activities, publicly expressing support for a political party or undertaking other activities such as canvassing on behalf of a person who seeks to be a candidate; and speaking to the public at large or publishing any written or artistic work that could give the impression that they are advocating support for a political party.

Please see TfN’s Protocol for Politically Restricted Posts for further details.

Person Specification

Qualifications, knowledge, skills and experience required at selection stage:	
EQ1	Degree in a relevant subject or other specialist post-graduate qualification or the equivalent level reached through experience.
EQ2	Accounting Qualification (ACCA, ACA, CIPFA, CIMA etc.).
EQ3	Evidence of continuous professional development.
ES	Skills and Experience
ES1	A qualified accountant with significant experience of preparing, managing and monitoring revenue and capital budgets in a large and complex organisation.
ES2	Extensive experience at a senior management level within a similar role with the ability to lead and motivate a department or programme team to create a positive, productive climate.
ES3	Extensive experience of leading people and organisational development strategies and transformational change programmes and initiatives.
ES4	Extensive experience at an appropriate level of a multi-stakeholder operating environment, preferably in the public sector, and the relevant external environment (legislative, regulatory, best practice standards, etc.).
ES5	Proven success in establishing a strong performance culture that drives up standards and quality of outputs.
ES6	Proven experience of building strong, productive relationships with a myriad of partners and stakeholders to ensure a co-ordinated response to delivery.
ES7	Proven experience of influencing and persuading governance bodies, stakeholders, partners, clients and suppliers to understand the aims, objectives and requirements of the programme.
ES8	Proven experience of managing significant budgets, optimising external funding opportunities and effectively applying key commercial, business and other management processes.
ES9	Excellent communicator both with individuals and in groups, who inspires, motivates, enthuses, persuades, builds confidence and trust; demonstrates exceptional influencing skills and emotional maturity.
EC	Essential Behaviour Competencies
EC1	Cultivates Innovation - <i>Creates new and better ways for the organisation to be successful.</i>
EC2	Ensure Accountability - <i>Holds self and others accountable to achieve results, even under challenging circumstances.</i>
EC3	Collaborates - <i>Building partnerships and working collaboratively with others to meet shared objectives.</i>
EC4	Instils Trust - <i>Gaining the confidence and trust of others through honesty, integrity and authenticity.</i>
EC5	Financial Acumen - <i>Interpreting and applying understanding of key financial indicators to make better business decisions.</i>
EC6	Customer Focus - <i>Building strong customer/ stakeholder/ partner/ shareholder relationships and delivering customer-centric solutions.</i>
EC7	Directs Work - <i>Providing direction, delegating, and removing obstacles to get work done.</i>
EC8	Builds Effective Teams - <i>Building strong-identity teams that apply their diverse skills and perspectives to achieve common goals.</i>
EC9	Drives Engagement - <i>Creating a climate where people are motivated to do their best to help the organisation achieve its objectives.</i>

EC10**Manages Ambiguity** - *Operating effectively, even when things are not certain or the way forward is not clear.*

Appendix 3 – Draft Appointment Sub-Committee Terms of Reference

The Appointment Sub-Committee shall undertake the following functions:

- (i) Selecting a preferred candidate, for recommendation to TfN Board, to the role of any Statutory Officer, including considering applications, forming a longlist and a shortlist, and conducting interviews; and
- (ii) Recommending to TfN Board, before any offers of appointment are made by TfN, a preferred candidate for appointment to the role of any Statutory Officer.

Membership

The membership of this Appointment Sub-Committee shall consist of the following:

- TBC, TfN GPC Chair
- (To be appointed), TfN GPC Member (Labour Party Group Representative)
- (To be appointed), TfN GPC Member (Conservative Party Group Representative)
- (To be appointed), TfN GPC Member (Other Minority Party Group Representative)
- (To be appointed), TfN GPC Member (LEP Representative)
- Martin Tugwell, TfN Chief Executive – Observer Capacity

Each Member of the Appointment Sub-Committee in circumstances where they are unable to act, will be permitted allow their Authority’s appointed General Purposes Committee Substitute Member to participate in the process, but where a Member or Substitute Member attends the interview of a candidate only that Member or Substitute Member may take any further part in the appointment process and after that point no Substitute Member may be substituted.

Chair

The Appointment Sub-Committee shall be chaired by the Chair of General Purposes Committee. If the Chair of General Purposes Committee is not present at any Appointments Sub-Committee meeting, and if no Vice Chair is present, the Members of the General Purposes Committee who are present shall elect a chair from amongst their number, each Member present having one vote. The Chair shall not have a casting vote.

Quorum

Any such meetings (and associated decisions) will only be considered quorate if a quorum of the General Purposes Committee (or their nominated substitute Member) is present.

Rules of Debate, Voting and Procedure

Except where incompatible with the above, and as applicable, TfN’s procedure rules as contained in its Constitution and Recruitment & Selection Policy shall apply.

Any decision of the Appointment Sub-Committee to recommend a candidate to the TfN Board for appointment must be supported by a majority of the voting Members of the Appointment Sub-Committee.

Appendix 4 – Draft Indicative Recruitment Process & Timetable

There is approximately timeline of six weeks for the recruitment process (from vacancies go-live to final appointments). However, this will be dependent on Appointment Sub-Committee members' availability.

*Selection processes subject to approval by the Appointment Sub-Committee

Activity	By When
Appointment Sub-Committee (ASC) to be confirmed to be recommended to 29 September Board meeting by General Purposes Committee consultation call	26.07.22
Executive Search Agency briefed on Role Requirements & Potential Targets	W/E 19.08.22
Vacancy Go-Live (Search & Head-hunting) – 3.5 weeks' search periods	W/C 29.08.22
Weekly 'Head-Hunting' progress updates to TfN	Weekly Updates via Email
Closing Date for Applications (via CV & Covering Letter)	20.09.22 – 12 Noon
Longlist recommendation Report received from recruitment agency & Shortlisting by ASC undertaken	W/C 03.10.22
Update to TfN Board – Confirming shortlisting & next steps	
Psychometric Testing (leadership & behavioural) completed by Shortlisted Candidates*	W/E 14.10.22
Interviews & Candidate Presentations*	W/C 17.10.22
Preferred Candidates for the role identified (subject to TfN Board Approval) – Special Board Meeting to be convened if required	Date - TBC