

# Public Document Pack

## NORTH HERTFORDSHIRE DISTRICT COUNCIL

### COUNCIL

**WEDNESDAY, 25TH MARCH, 2020**

### **SUPPLEMENTARY AGENDA**

Please find attached supplementary papers relating to the above meeting, as follows:

**Agenda No    Item**

5.            **SENIOR MANAGEMENT ARRANGEMENTS (Pages 3 - 6)**

REPORT OF THE LEADER OF THE COUNCIL

To provide Council with an update on the savings that are likely to be achieved from the new senior management arrangements and options to provide resilience in the absence of the Managing Director. To confirm that changes to the Constitution and Financial Regulations will be required to reflect the new arrangements.

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**COUNCIL**  
**25 MARCH 2020**

**\*PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: SENIOR MANAGEMENT ARRANGEMENTS**

REPORT OF THE LEADER OF THE COUNCIL

EXECUTIVE MEMBER: *LEADER OF THE COUNCIL*

CURRENT COUNCIL PRIORITY: ATTRACTIVE AND THRIVING / PROSPER AND PROTECT / RESPONSIVE AND EFFICIENT

NEW COUNCIL PRIORITY: BE A MORE WELCOMING AND INCLUSIVE COUNCIL / BUILD THRIVING AND RESILIENT COMMUNITIES / RESPOND TO CHALLENGES TO THE ENVIRONMENT / ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY / SUPPORT THE DELIVERY OF GOOD QUALITY AND AFFORDABLE HOMES

**1. EXECUTIVE SUMMARY**

- 1.1 To provide Council with an update on the savings that are likely to be achieved from the new senior management arrangements and options to provide resilience in the absence of the Managing Director. To confirm that changes to the Constitution and Financial Regulations will be required to reflect the new arrangements.

**2. RECOMMENDATIONS**

- 2.1. That Council agrees to the principle of one of the Service Directors being designated as the deputy to the Managing Director, and that individual will receive additional salary to compensate for the additional responsibility. This will be subject to consultation.
- 2.2. That Council confirms that the recruitment of a Service Director to be designated as the Deputy for the Managing Director would be made by the Head of Paid Service, in consultation with the Leader of the Council and the future Head of Paid Service.
- 2.3. That Council notes the forecast savings of around £124k and that this will be reflected in the budget setting process for 2021/22 onwards.
- 2.4. That Council instructs the Monitoring Officer to make the necessary amendments to the Constitution in respect of the roles of Managing Director and Deputy Managing Director to be reported to Council in July.

- 2.5. That Council instructs the Chief Finance Officer to make the necessary amendments to the Financial Regulations in respect of the roles of Managing Director and Deputy Managing Director to be reported to Council in July.
- 2.6. That Council agrees that the salary of the Managing Director is reviewed during 2022/23 to ensure that it is competitive against other similar roles, subject to affordability in relation to the Council's budget position.

### **3. REASONS FOR RECOMMENDATIONS**

- 3.1. To provide resilience when the Managing Director is absent. To ensure that the Constitution and Financial Regulations reflect the new senior management structure.

### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1. The Senior Management arrangements are subject to consultation (at the time of writing), and there may be alternative options that arise from that process. For example, this could include all the Service Directors acting as Deputies.

### **5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

- 5.1. This follows the decision by Council on 27<sup>th</sup> February 2020.

### **6. FORWARD PLAN**

- 6.1. This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

### **7. BACKGROUND**

- 7.1. The Council meeting on 27<sup>th</sup> February 2020 resolved the following:

1. That Council agrees to the deletion of the post of Chief Executive (Head of Paid Service) and the post of Deputy Chief Executive and establishment of a new post of Managing Director (Head of Paid Service), subject to consultation with those affected and at a suitable date to be determined.
2. That Council accept the voluntary redundancy request of the Chief Executive, with an effective leaving date of 17<sup>th</sup> July 2020.
3. That Council approves the use of the Special Reserve to fund the potential redundancy outlined in paragraph 8.3.
4. That Council notes that a further report with a proposed new senior management structure will be brought to Full Council on 2 April 2020.

- 7.2. Formal consultation is being undertaken with all those affected and this is expected to conclude on Monday 23<sup>rd</sup> March.

## **8. RELEVANT CONSIDERATIONS**

- 8.1. The deletion of the Chief Executive and Deputy Chief Executive posts and establishment of a new Managing Director post reduces the senior management capacity. It also reduces the resilience when the Head of Paid Service (Managing Director) is absent e.g. through annual leave or sickness. One of the options put forward at the start of the ongoing consultation is that one of the Service Directors is designated as the Deputy to the Managing Director and this is added to their job description, and reflected in their person specification. That individual would then act as Managing Director in the absence of the Managing Director. Due to the change in person specification this would attract an additional salary, of an amount to be determined.
- 8.2. The current constitution determines that the Deputy Chief Executive post is appointed by the Employment Committee. A Service Director being designated as a Deputy to the Managing Director post is a different arrangement to the Deputy Chief Executive post, so it is proposed that the appointment is made by the Head of Paid Service. This would be in consultation with the Leader of the Council. Subject to the current Deputy Chief Executive being confirmed as the new Managing Director, it would seem appropriate for them to also be involved in the recruitment process.
- 8.3. The Council's Constitution and Financial Regulations include a number of references to the posts of Chief Executive and Deputy Chief Executive. It is therefore necessary for these references to be updated as appropriate. As there may not always be a direct change (e.g. from Chief Executive to Managing Director) it is proposed that the changes are reported to Council in July for agreement.
- 8.4. The salary of the new Managing Director post will be in line with the current Chief Executive post. This is deemed to be appropriate given the position that the Council is currently in. As the Council develops over time (e.g. in terms of its commercial approach) it may be that the Managing Director is required to develop new skills and attributes, and this may mean that the salary range becomes uncompetitive when compared with similar roles in other organisations. Therefore it is proposed that the salary should be reviewed during 2022/23. Any change would be dependent on the financial position of the Council.

## **9. LEGAL IMPLICATIONS**

- 9.1 Council's terms of reference includes receiving reports on the senior management structures of the organisation (paragraph 4.4 (o)).
- 9.2 Paragraph 2.6 of the Constitution determines that apart from minor changes (as detailed in 2.6.2) all changes to the Constitution and Financial Regulations are made by Council.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. The salary range of the new Managing Director post will be the same as for the current Chief Executive post. Therefore the ongoing savings from deleting the Chief Executive and Deputy Chief Executive post, and creating the Managing Director post are £134k (full-year, based on an assumed 2% pay award in 2020/21). These savings will be reduced by any additional payment that is made to a Service Director to be designated as Deputy to the Managing Director. If this additional payment was around 10% of current salary then with on-costs that would equate to around £10k. Therefore the saving would reduce to £124k

## **11. RISK IMPLICATIONS**

- 11.1. The risk to the Council could be reduced by having a nominated Deputy to the Managing Director that would be more able to take over in the absence of the Managing Director.
- 11.2. Having a clear and up-to-date Constitution and Financial Regulations help to provide good governance arrangements and therefore reduce risk.

## **12. EQUALITIES IMPLICATIONS**

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. There are no equalities implications arising from this report.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1. The Social Value Act and “go local” requirements do not apply to this report.

## **14. HUMAN RESOURCE IMPLICATIONS**

- 14.1. These are covered generally within the report.

## **15. APPENDICES**

- 15.1. None

## **16. CONTACT OFFICERS**

- 16.1. Kerry Shorrocks, Corporate HR Manager, [kerry.shorrocks@north-herts.gov.uk](mailto:kerry.shorrocks@north-herts.gov.uk), ext: 4224

## **17. BACKGROUND PAPERS**

- 17.1. Council report, 27<sup>th</sup> February 2020.