

NORTH HERTFORDSHIRE DISTRICT COUNCIL



3 April 2020

Our Ref Council 16.04.20
Contact. Committee Services
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To: The Chair and Members of North Hertfordshire District Council

NOTICE IS HEREBY GIVEN OF A

MEETING OF THE COUNCIL

to be held

THIS WILL BE A VIRTUAL MEETING

on

THURSDAY, 16 APRIL 2020

at

4.00 PM

Yours sincerely,

Jeanette Thompson
Service Director – Legal and Community

****MEMBERS PLEASE ENSURE THAT YOU DOWNLOAD ALL AGENDAS AND REPORTS VIA THE MOD.GOV APPLICATION ON YOUR TABLET BEFORE ATTENDING THE MEETING****

Agenda **Part I**

Item	Page
1. APOLOGIES FOR ABSENCE	
2. CHAIR'S ANNOUNCEMENTS <u>Climate Emergency</u> Members are reminded that this Council has declared a Climate Emergency. This is a serious decision and means that, as this is an emergency, all of us, officers and Members have that in mind as we carry out our various roles and tasks for the benefit of our District. <u>Declarations of Interest</u> Members are reminded that any declarations of interest in respect of any business set out in the agenda, should be declared as either a Disclosable Pecuniary Interest or Declarable Interest and are required to notify the Chair of the nature of any interest declared at the commencement of the relevant item on the agenda. Members declaring a Disclosable Pecuniary Interest must withdraw from the meeting for the duration of the item. Members declaring a Declarable Interest, wishing to exercise a 'Councillor Speaking Right', must declare this at the same time as the interest, move to the public area before speaking to the item and then must leave the room before the debate and vote.	
3. REFERRAL FROM EMPLOYMENT COMMITTEE: 17 MARCH 2020 - SENIOR MANAGEMENT ARRANGEMENTS To consider the referral from the Employment Committee meeting held on 17 March 2020 regarding Senior Management Arrangements.	5 - 10
4. SENOR MANAGEMENT REPORT 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.	11 - 14
5. EXCLUSION OF PRESS AND PUBLIC To consider passing the following resolution: That under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting on the grounds that the following report will involve the likely disclosure of exempt information as defined in Paragraphs 1, 2 and 3 of Part 1 of Schedule 12A of the said Act (as amended).	

6. REFERRAL FROM EMPLOYMENT COMMITTEE

15 - 18

To consider the referral from the Employment Committee meeting held on 17 March 2020.

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**COUNCIL
16 APRIL 2020**

PART 1 – PUBLIC DOCUMENT

ITEM 3

TITLE OF REPORT: ITEM REFERRED FROM EMPLOYMENT COMMITTEE: 17 MARCH 2020 – SENIOR MANAGEMENT ARRANGEMENTS

Extract from the draft Minutes of the Employment Committee meeting held on 17 March 2020

The Leader of the Council presented the report entitled Senior Management Arrangements. At the Extraordinary meeting of Council on 27 February 2020 it had been resolved to delete the posts of Chief Executive and Deputy Chief Executive and for the establishment of a new Managing Director post. As a result, it was necessary to appoint to the role of Managing Director.

The Extraordinary Council meeting had resolved to accept the voluntary redundancy of the Chief Executive. As the Deputy Chief Executive role was considered a match for the Managing Director role, it was for the Employment Committee to consider the extent of this match and whether to make a recommendation to Council on the appointment.

The report was supported by the Person Specification and Job Description for the Managing Director and the Person Specification for the current Chief Executive and Deputy Chief Executive posts.

The recommendation was proposed by Cllr Billing and seconded by Cllr Stears-Handscomb, there being no debate on the matter, it was

RECOMMENDED TO COUNCIL: That Council appoint Anthony Roche to the new Managing Director post, being effective on 18 July 2020.

REASON FOR DECISIONS: The Employment Committee had undertaken an assessment of the candidate against the Job Description and Person Specification for the new role of Managing Director and was satisfied that Anthony Roche was a suitable candidate to match the new role.

OFFICER EMPLOYMENT PROCEDURE RULES – APPOINTMENT OF HEAD OF PAID SERVICE:

Subsequently as per the requirements of 12.8.4 of the Council's Constitution, Full Council may only approve the appointment of the Head of Paid Service where no well-founded objection has been made by any member of the Cabinet.

Notification was sent to the Cabinet on 17 March 2020, at the conclusion of the Employment Committee, to inform that the Employment Committee, who consisted of the Leader, Cllr

Stears-Handscomb, Cllr Hoskins, Cllr Shanley, Cllr Billing and Cllr Levett, had interviewed Anthony Roche for the role of Managing Director. The Employment Committee was supported by the Corporate Human Resources Manager, the Service Director, Resources and Michelle Kirk, Director of EELGA.

As the Managing Director was to be the Head of the Council's Paid Service, section 12.8.5 of the Constitution applied (in respect of the appointment of Head of Paid Service), and therefore the Proper Officer had to notify every Cabinet Member of the name of the candidate; other particulars relevant to the appointment; and the period within which to make any material objections to the offer.

The Leader had until the close of business on Thursday 19 March to notify the Proper Officer on behalf of Cabinet of any material objections, as per the Constitutional requirements section 12.8.5(b)(ii) D.

The Proper Officer received no well-founded objection/s.

**REPORT CONSIDERED BY THE EMPLOMENT COMMITTEE AT THE MEETING HELD ON
17 MARCH 2020**

PUBLIC DOCUMENT

TITLE OF REPORT: SENIOR MANAGEMENT ARRANGEMENTS

REPORT OF THE SERVICE DIRECTOR - RESOURCES

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 Employment Committee with relevant background information for the part 2 item. The decision made by Council on 27th February 2020 means that it is necessary to appoint to the role of Managing Director. As Council have accepted the voluntary redundancy request of the current Chief Executive, the current role of Deputy Chief Executive could be a significant match for the Managing Director role. It is for the Employment Committee to determine the extent of this match and whether to make a recommendation on appointment to Council.

2. RECOMMENDATIONS

- 2.1. That this report be noted and considered when making the part 2 decision.

3. REASONS FOR RECOMMENDATIONS

- 3.1. Following the decision by Council on 27th February 2020 it is necessary to consider an appointment to the post of Managing Director.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. These were considered as part of the decision by Council on 27th February 2020. Alternative options were rejected as a result of the level of savings that the Council is forecasting that it will need to make.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. This follows the decision by Council on 27th February 2020, so all Members have been consulted.

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 27th 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 17th 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 23rd March.

8. RELEVANT CONSIDERATIONS

- 8.1. The Council's reorganisation policy guidance details the processes to be followed in relation to job matching. This is based on comparing the essential criteria of the person specifications of the existing and new roles. Where the match is greater than 70% then this is a direct match and the employee should be slotted in to the role. Where the match is less than 70%, but the employee is at risk of redundancy then the employee should be ring-fenced to the role. This means that the employee should be given the opportunity to apply through a ring fenced internal application process.

- 8.2. With support from HR, it is for the Employment Committee to fully determine the extent of any match.

9. LEGAL IMPLICATIONS

- 9.1. In paragraph 10.3.4 (a) the Employment Committees Terms of Reference include "to interview candidates for the post of Head of Paid Service and make a recommendation for appointment to Council".

10. FINANCIAL IMPLICATIONS

10.1. This restructure is expected to deliver savings to help towards the Council's forecast funding gap.

11. RISK IMPLICATIONS

11.1. Human Resources will provide advice to the Committee on the Council's policies and processes in respect of reorganisation. A failure to follow these could create a legal, financial and service delivery 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. Ian Couper, Service Director: Resources, ian.couper@north-herts.gov.uk, ext: 4243

16.2. Rebecca Webb, HR Services Manager, Rebecca.webb@north-herts.gov.uk, ext: 4481

17. BACKGROUND PAPERS

17.1. Council report, 27th February 2020.

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**COUNCIL
16 APRIL 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 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 27th 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 27th 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 17th 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 23rd 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, ext: 4224

17. BACKGROUND PAPERS

- 17.1. Council report, 27th February 2020.

By virtue of paragraph(s) 1, 2, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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