

Call-In Sub-Committee AGENDA

DATE: Thursday 2 October 2014

TIME: 5.30 pm

VENUE: Committee Room 5
Harrow Civic Centre

MEMBERSHIP (Quorum 3)

Chairman: Councillor Jerry Miles

Councillors:

Jeff Anderson
Barry Kendler

Richard Almond
Paul Osborn

Reserve Members:

- | | |
|----------------------|-------------------|
| 1. Phillip O'Dell | 1. Kam Chana |
| 2. Jo Dooley | 2. Lynda Seymour |
| 3. Kiran Ramchandani | 3. Stephen Wright |

Contact: Alison Atherton Senior Professional Democratic Services
Tel: 020 8424 1266 E-mail: alison.atherton@harrow.gov.uk

AGENDA - PART I

1. ATTENDANCE BY RESERVE MEMBERS

To note the attendance at this meeting of any duly appointed Reserve Members.

Reserve Members may attend meetings:-

- (i) to take the place of an ordinary Member for whom they are a reserve;
- (ii) where the ordinary Member will be absent for the whole of the meeting; and
- (iii) the meeting notes at the start of the meeting at the item 'Reserves' that the Reserve Member is or will be attending as a reserve;
- (iv) if a Reserve Member whose intention to attend has been noted arrives after the commencement of the meeting, then that Reserve Member can only act as a Member from the start of the next item of business on the agenda after his/her arrival.

2. DECLARATIONS OF INTEREST

To receive declarations of disclosable pecuniary or non pecuniary interests, arising from business to be transacted at this meeting, from:

- (a) all Members of the Sub-Committee;
- (b) all other Members present.

3. APPOINTMENT OF VICE CHAIRMAN

To consider the appointment of a Vice-Chairman to the Sub-Committee for the Municipal Year 2014/15

4. MINUTES (Pages 1 - 4)

That the minutes of the meeting held on 25 February 2014 be taken as read and signed as a correct record.

5. PROTOCOL FOR THE OPERATION OF THE CALL-IN SUB-COMMITTEE (Pages 5 - 6)

6. CALL-IN OF THE CABINET DECISION (18 SEPTEMBER 2014) - OUTCOME OF CONSULTATION ON OPTIONS FOR THE COUNCIL'S SENIOR MANAGEMENT ARRANGEMENTS (Pages 7 - 30)

- a) Notice invoking the Call-In;
- b) Minutes of the Cabinet meeting held on 18 September 2014;
- c) Report submitted to Cabinet on 18 September 2014.

AGENDA - PART II

Nil

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CALL-IN SUB-COMMITTEE MINUTES

25 FEBRUARY 2014

Chairman: * Councillor Jerry Miles

Councillors: † Sue Anderson * Asad Omar (1)
* Chris Mote † Anthony Seymour

In attendance: * Paul Osborn Minute 70
(Councillors)

* Denotes Member present
(1) Denotes category of Reserve Member
† Denotes apologies received

65. Attendance by Reserve Members

RESOLVED: To note the attendance of the following duly constituted Reserve Members:

Ordinary Member

Reserve Member

Councillor Mano Dharmarajah

Councillor Asad Omar

66. Declarations of Interest

RESOLVED: To note that there were no declarations of interests made by Members.

67. Appointment of Vice-Chairman

RESOLVED: That Councillor Chris Mote be appointed Vice-Chairman of the Call-In Scrutiny Sub-Committee for the remainder of the 2013-14 municipal year.

68. Minutes

RESOLVED: That the minutes of the meeting held on 5 November 2013 be taken as read and signed as a correct record.

RESOLVED ITEMS

69. Protocol for the Operation of the Call-In Sub-Committee

The Chair drew attention to the document 'Protocol for the Operation of the Call-In Sub-Committee'. He outlined the procedure to be followed at the meeting, and the options open to the Sub-Committee at the conclusion of the process.

In accordance with Committee Procedure Rule 46.5, a notice seeking to invoke the call-in procedure must state at least one of the following grounds in support of the request for a call-in of the decision:-

- (a) inadequate consultation with stakeholders prior to the decision;
- (b) the absence of adequate evidence on which to base a decision;
- (c) the decision is contrary to the policy framework, or contrary to, or not wholly in accordance with the budget framework;
- (d) the action is not proportionate to the desired outcome;
- (e) a potential human rights challenge;
- (f) insufficient consideration of legal and financial advice.

He informed the Sub-Committee that the grounds (a) - (f) had been cited on the Call In notice, of which grounds (a), (b) and (e) had been deemed to be valid for the purposes of Call-In.

RESOLVED: That the Call-In would be determined on the basis of the following grounds:

- (a) inadequate consultation with stakeholders prior to the decision;
- (b) the absence of adequate evidence on which to base a decision;
- (e) a potential human rights challenge.

70. Call-In of the Portfolio Holder Decision - Civic Amenity Site: Policies and Charges

The Sub-Committee received the papers in respect of the call-in notice submitted by 6 Members of Council in relation to the decision made by the Portfolio Holder for Community Safety and Environment on Civic Amenity Site: Policies and Charges.

The Chair advised the Sub-Committee on the suggested order of proceedings and reminded Members of the timings allowed for submissions and questions.

The Chair invited the lead representative of the signatories, Councillor Graham Henson, to present the reasons for the call in of the decision to the Sub-Committee.

He stated that the Council was bound to operate in an open, honest and transparent manner, to consult widely and listen to residents' views. This decision would result in a selected group of residents being charged for a service without an opportunity to consider their objections and alternative options.

He believed that the consultation had been inadequate; he himself had learned of the change via the local press. In his view the decision had a wide ranging impact and should therefore have been treated as a key decision and followed the correct procedure for such a decision, particularly in respect of advance notice.

In respect of evidence, the report did not demonstrate how the decision was arrived at, nor how it would reduce aggressive behaviour on the part of site users. No alternative options had been provided, and no consideration had been given to negative outcomes, such as an increase in fly-tipping. In seeking to address the behaviour of a minority, many law-abiding residents would be affected. Furthermore, no Equality Impact Assessment (EqIA) had been provided, and it was impossible to judge if certain groups would be adversely affected; for instance, many disabled people used vehicles classified as vans.

Finally, the decision was likely to have an adverse impact on the environment, as residents prevented from using the site were more likely to dispose of waste illegally.

The Portfolio Holder for Community Safety and Environment expressed her surprise and disappointment that the decision had been called in, as it had been taken in response to a serious threat to the safety of staff at the depot, who had been the subject of aggressive behaviour and physical threats, to such a degree that they were unwilling to give evidence in criminal prosecutions.

In her view, the main stakeholders in this situation were the staff, who had been consulted upon the changes. The Council had a duty to ensure a safe environment for staff; they had worked with the police and anti-social behaviour teams to address problems, and additional measures had been introduced to minimize the ability of dissatisfied and unlawful site users to treat staff badly.

The Portfolio Holder informed the sub-committee that an EqIA had been undertaken, and its findings had been summarized and reported in the main document. As no issues had been identified, it had not been considered necessary to append it to the report.

In her view, a clear policy would reduce arguments and dispute, and this policy would bring Harrow in line with neighbouring boroughs, thereby preventing residents of other boroughs taking advantage of Harrow's more lenient access rules. Of 200,000 trips to the depot each year, some 3,500 would be affected by the change and charges. She did not consider that this would cause a disproportionate impact. A Member added that to qualify as a key decision, there would have to be a 'significant' impact, and he was satisfied that this was not the case here.

In conclusion the Portfolio Holder reiterated her view that the safety of staff was the primary concern and the current situation required immediate action. The policy would, in any event, be reviewed in 3 months.

In response to the Portfolio Holder's remarks the Lead Signatory stated that the safety of staff was equally a priority for him, and to suggest otherwise was offensive. However, this concern did not obviate the need to adhere to process, and consultation had not taken place; clearly he could not support a policy or action unless he was aware of it. He repeated his view that the decision was indeed 'key', as it affected more than two wards in applying equally to all residents across the borough.

Members considered a definition of 'van' and how this would be assessed by staff at the depot. In response to Members' concerns about whether disabled residents would be adversely affected by the new policy, an officer advised that a separate means of disposal was already in place for disabled drivers.

(The Sub-Committee then adjourned from 6.05 pm until 6.15 pm to receive legal advice.)

The Chair announced the decision of the Sub-Committee and it was

RESOLVED: That the challenge to the decision should be taken no further and the decision be implemented.

(Note: The meeting, having commenced at 5.00 pm, closed at 6.20 pm).

(Signed) COUNCILLOR JERRY MILES
Chairman

PROTOCOL FOR THE OPERATION OF THE CALL-IN SUB-COMMITTEE

1. Call-in is the process whereby a decision of the Executive, Portfolio Holder or Officer (where the latter is taking a Key Decision) taken but not implemented, may be examined by the Overview and Scrutiny Committee prior to implementation. The Overview and Scrutiny Committee has established the Call-in Sub-Committee to carry out this role. Committee Procedure Rule 46 sets out the rules governing the call-in process.

The Process for Call-in

2. Six of the Members of the Council can call in a decision of the Executive which has been taken but not implemented. In relation to Executive decisions on education matters only, the number of Members required to call in a decision which has been made but not implemented shall be six Councillors or, in the alternative, six persons comprising representatives of the voting co-opted members and at least one political group on Overview and Scrutiny Committee. Only decisions relating to Executive functions, whether delegated or not, may be called in.

150 members of the public (defined as anyone registered on the electoral roll of the Borough) can call in a decision of the Executive, which has been taken but not implemented.

3. Decisions of the Executive will not be implemented for 5 clear working days following the publication of the decision and a decision can only be called in within this period (this does not apply to urgent decisions - Committee Procedure Rule 47 refers). The notice of the decision will state the date on which the decisions may be implemented if not called in.

4. Call-in must be by notification to the Monitoring Officer in writing or by fax:

i) signed by all six Members and voting co-optees requesting the call-in. A request for call-in by e-mail will require a separate e-mail from each of the six Members concerned.

ii) signed by all 150 members of the public registered on the electoral roll, and stating their names and addresses.

5. In accordance with Committee Procedure Rule 46.5, a notice seeking to invoke the call-in procedure must state at least one of the following grounds in support of the request for a call-in of the decision:-

- (a) inadequate consultation with stakeholders prior to the decision;
- (b) the absence of adequate evidence on which to base a decision;
- (c) the decision is contrary to the policy framework, or contrary to, or not wholly in accordance with the budget framework;
- (d) the action is not proportionate to the desired outcome;
- (e) a potential human rights challenge;
- (f) insufficient consideration of legal and financial advice.

Referral to the Call-in Sub-Committee

6. Once a notice invoking the call-in procedure has been received, the decision may not be implemented until the Chair and nominated member have considered the guidance outlined in Appendix 1 to the Committee Procedure Rules and, if required, the Call-in Sub-Committee has considered the decision. The Monitoring Officer shall in consultation with the Chair arrange a meeting of the Call-in Sub-Committee to be held within seven clear working days of the receipt of the request for call-in.

7. The Call-in Sub-Committee will consider the decision and the reasons for call-in. The Sub-Committee may invite the Executive decision-taker and a representative of those calling in the decision to provide information at the meeting.

8. The Sub-Committee may come to one of the following conclusions:-
- (i) that the challenge to the decision should be taken no further and the decision be implemented;
 - (ii) that the decision is contrary to the policy framework or contrary to or not wholly in accordance with the budget framework, and should not therefore be referred to the Council. In such a case the Call-in sub-committee must set out the nature of its concerns for Council; or
 - (iii) that the matter should be referred back to the decision taker (i.e the Portfolio Holder or Executive, whichever took the decision) for reconsideration. In such a case the Call-in sub-committee must set out the nature of its concerns for the decision taker/Executive.

CALL IN NOTICE

I hereby give notice that I wish to call-in the decision 'Outcome of Consultation on Options for the Council's Senior Management Arrangements' – taken by Cabinet on 18th September 2014. The reasons for the call-in are as follows:

Inadequate consultation with stakeholders prior to the decision:

The Council's consultation on reinstating the Chief Executive position, on which this decision is based, was launched on 18th July and lasted until 31st July. Despite the administration 'standing on a platform of consultation and engagement', the consultation exercise was extremely limited in scope. First and foremost, it presented only two options – either restoring the Chief Executive position or continuing with the status quo of a Corporate Director also assuming the Head of Service's responsibilities. The initial correspondence from Leader Cllr. David Perry stated that alternative options for the position had been discussed by senior staff, which included:

- Sharing a Chief Executive with another council (which, it should be noted, was described as the 'most popular' alternative to a dedicated Chief Executive position by the Scrutiny Challenge Panel in December 2013)
- Creating a new Head of Paid Service role such as Managing Director, Borough Manager or Chief Operating Officer
- Sharing the role between the Corporate Directors

All three of these options were discounted prior to the consultation taking place, suggesting a pre-determined desire to either restore the position or maintain the status quo – the former seeming the more likely, given the Leader's description of the latter as a 'damaging void'. Already, therefore, the consultation has been steered towards what is clearly the administration's preference. The consultation exercise was only open to staff, and only 384 responses were received, which is less than 10% of the Council's total staff. Roughly 66% of the responses were in favour of restoring the position. It should be noted, however, that an online poll conducted by the Harrow Times showed 66% of respondents were against restoring the position. The administration therefore conducted a consultation that was limited in scope, limited in options, and received a very low response rate from an already select group of respondents.

The absence of adequate evidence on which to base a decision, and insufficient consideration of legal and financial advice:

As mentioned previously, the Leader of the Council has described the lack a Chief Executive in Harrow as a 'damaging void' – most recently repeating the allegation in his blog entry of 15th September. It was also described in this fashion in the Labour Group's manifesto. However, there is no independent evidence to suggest any such damage has been done by abolishing the role, and there is therefore no compelling case to restore it. In fact, the one piece of independent advice the Council has suggests that removing the role has in no way damaged the operational capacity of the Council.

An annual audit report from Deloitte went to Governance, Audit, Risk Management and Standards Committee on 17th September – the day before Cabinet. It stated:

'At the time the deletion of CEO was made we considered the threat this would have to the authority achieving ongoing value for money and were satisfied that the responsibilities of the new post holder addressed those risks.'

'There have been no instances of control weakness identified during our detailed audit work as a result of the deletion of the post in 13/14.'

'If the post is reinstated in 14/15, whilst the cost per annum is not material to the council there could be public challenge in relation to reinstatement of a post that was previously determined as surplus to requirements.'

Therefore, in contrast to having no evidence of the need for a Chief Executive beyond the will of the administration, the Council actually does have evidence from a world-renowned auditor and financial advisor that the deletion of the position has posed no risk to either the management or the financial standing of the Council. Cabinet did not consider this evidence at all when making its decision.

The decision is contrary to the policy framework, or contrary to, or not wholly in accordance with the budget framework:

The Council's revenue budget for 2014/15 was approved by Cabinet on 13th February and then passed by Council on 27th February. That budget contained a line of 'To delete the post of Chief Executive and associated business support' with an annual saving of £280,000. Over a 4-year administration, deleting the position would have saved in the region of £1 to 1.2 million. To reinstate the position would therefore be contrary to the budget framework, as previously agreed by Council.

Further, the Council meeting on 27th February formally appointed the Corporate Director of Community Health and Wellbeing as Interim Head of Paid Service, after the Chief Executive position was abolished. The Council has therefore established a policy framework which includes an Interim Head of Paid Service, and which would need amending by full Council in order to restore the Chief Executive role. To restore the role would also appear contrary to the Pay Policy Statement adopted at the same meeting, which states:

'The Council defines its senior management as the top 2 tiers in the interim senior management structure commencing with the Corporate Directors (Tier 1) and Divisional Directors (Tier 2)' and that 'the Council's policy is to minimise the senior management pay bill.'

A Chief Executive role does not fit within either of those tiers and would also significantly increase the senior management pay bill. This again suggests this decision is being made contrary to the Council's policy framework.

In addition, the Corporate Plan adopted by the administration at Council on 24th July 2014 includes the phrase: 'We will try even harder to get the best value out of every pound we spend'. The Council also has a general obligation to achieve value for money, which the above analysis by Deloitte shows has not been put at risk by abolishing the Chief Executive role. Therefore, by virtue of restoring a £216,000 a year role which has no bearing on the Council's fiscal performance, Cabinet's decision would be contrary to the Council's policy of achieving value for money.'

Signed by
Councillor Susan Hall
Councillor Barry Macleod-Cullinane

Councillor Christine Bednell
Councillor Stephen Greek
Councillor Ameet Jogia
Councillor Camilla Bath
Councillor Kantilal Rabadia
Councillor Chris Mote
Councillor Janet Mote
Councillor Norman Stevenson

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CABINET

18 SEPTEMBER 2014

Record of decisions taken at the meeting held on
Thursday 18 September 2014.

Present:

Chairman: † Councillor David Perry

Councillors:

* Sue Anderson	* Glen Hearnden
* Simon Brown	* Graham Henson
* Margaret Davine	* Varsha Parmar
* Keith Ferry (Deputy Leader in the Chair)	* Sachin Shah
	* Anne Whitehead

In attendance:

Richard Almond	Minute 36
Kam Chana	Minute 36
Susan Hall	Minute 36
Barry Macleod-Cullinane	Minute 36

* Denotes Member present

† Denotes apologies received

RESOLVED ITEMS

43. Outcome of Consultation on options for the Council's Senior Management Arrangements

RESOLVED: That

- (1) the post of Chief Executive be re-instated in the Council's management structure;

- (2) the Divisional Director Human Resources, Development and Shared Services, following consultation with the Leader of the Council, be instructed to make such arrangements as necessary to make a permanent appointment to the statutory role of Head of Paid Service.

Reason for Decision: To put in place arrangements for making a permanent appointment to the statutory role of Head of Paid Service.

Alternative Options Considered and Rejected: As set out in the report.

REPORT FOR: **CABINET**

Date of Meeting:	18 September 2014
Subject:	Outcome of Consultation on options for the Council's Senior Management Arrangements
Key Decision:	Yes
Responsible Officer:	Jon Turner, Divisional Director, HR, Development and Shared Services
Portfolio Holder:	Councillor David Perry, Leader of the Council and Strategy, Partnerships and Corporate Leadership Portfolio Holder
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Facta Consult Report on Consultation on Senior Management Arrangements

Section 1 – Summary and Recommendations

This report explains the recent consultation on the Council's senior management arrangements and seeks a decision about a permanent Head of Paid Service.

Recommendations:

Cabinet is requested to decide whether to:

Re-instate the post of Chief Executive in the Council's management structure; and to

Instruct the Divisional Director HR, Development & Shared Services, following consultation with the Leader, to make such arrangements as necessary to make a permanent appointment to the statutory role of Head of Paid Service.

Reason: (For recommendation)

To put in place arrangements for making a permanent appointment to the statutory role of Head of Paid Service.

Section 2 – Report

Introductory paragraph

On 23rd October 2013 the Leader of the Council commenced formal consultation with the Chief Executive, who was also the Council's Head of Paid Service, on a proposal to delete his post and to introduce a new senior management structure.

On 15th January 2014, Cabinet agreed to delete the post of Chief Executive but to leave determination of any new permanent arrangements for the Head of Paid Service until after the election.

The Chief Officers' Employment Panel recommended to Council that the Corporate Director Community Health & Well Being be appointed as the Interim Head of Paid Service and on 27th February 2014 Council agreed the appointment of the Corporate Director Community Health & Well Being as Interim Head of Paid Service from 1 March 2014 until after the local government elections in May 2014, at which point a decision would be taken on the permanent arrangements.

Options considered

Following the formation of the new Administration, the Leader sought advice from Officers on a range of potential senior management options, which included:

- Re-instating the post of Chief Executive;
- Sharing a Chief Executive with another council;
- Creating a new Head of Paid Service role such as Managing Director, Borough Manager or Chief Operating Officer;
- Making permanent the current interim arrangement of a joint Head of Paid Service and Corporate Director;

- Sharing the Head of Paid Service role between the Corporate Directors.

Having considered the potential options, the Leader decided to move forward with the following options:

Option 1: Appointing a Chief Executive

This would mean re-instating the post of Chief Executive, who would also be the Council's Head of Paid Service.

Option 2: Making permanent the current interim arrangement of a joint Head of Paid Service and Corporate Director

This would mean permanently appointing one of the Corporate Directors to carry out the Head of Paid Service role, in addition to their Corporate Director role.

On 17 July 2014, the Leader launched a consultation process to seek views from staff and key stakeholders on the arrangements for a permanent Head of Paid Service. Facta Consult, an external and independent research organisation, was used to collect and analyse all responses to the Leader's consultation, thus ensuring anonymity and objectivity.

Facta Consult received a total of 384 responses to the consultation. All responses were received via e-mail.

Approximately two thirds of respondents expressed a preference for Option 1 (the re-appointment of a Chief Executive) with about a third in favour of Option 2 (Making permanent the current interim arrangement of a joint Head of Paid Service and Corporate Director). Twenty one individuals did not feel they had sufficient information to express a view (for example about the costs and the responsibilities each option involved), suggested an alternative (such as sharing a Chief Executive with another council), or had no strong view.

The main reasons for favouring Option 1 (to appoint a Chief Executive) were the need for strong leadership, a clear direction, and the need to establish a role with no risk of perceived bias towards a particular Directorate. There were also concerns about the size of a combined Chief Executive and Corporate Director role.

Those who supported Option 2 (to make permanent the current interim arrangement of a joint Head of Paid Service and Corporate Director) were primarily driven by the need to save costs, or believed the current model was working well.

Facta Consult's report is at appendix 1

Although the outcome of the consultation is a preference to reinstate the post of Chief Executive, the senior management structure of the Council is a matter for Cabinet to determine, so it could agree to reinstate the post of Chief Executive, make permanent the current interim arrangement of a joint Head of Paid Service and Corporate Director, or suggest another one.

Why a change is needed

The Council is required by statute to appoint a Head of Paid Service, a function currently undertaken on an interim basis by the Corporate Director Community Health & Well Being.

The current arrangement of a Corporate Director carrying out the Head of Paid Service role, in addition to their Corporate Director role is temporary, to allow the Administration after the local government elections in May 2014, the most flexibility to have a structure which best supports it.

Legal Implications

The decision rests with Cabinet as to whether it re-instates the post of Chief Executive. The power to appoint the statutory role of Head of Paid Service, whether or not this role is undertaken by a Chief Executive, rests with Council.

Financial Implications

Any costs incurred in 2014/15 will be funded from the Transformation and Priority Initiatives Fund (TPIF) with the ongoing costs dealt with in the 2015/16 budget process.

The salary range for the post is £147,813 to £167,997.

With NI and Pension costs this gives a total cost in the range of £190k - £216k.

Performance Issues

The Head of Paid Service is responsible for overseeing the performance of the Council and this will be the responsibility of the Chief Executive if the option to re-instate the post of Chief Executive as Head of Paid Service is agreed.

Environmental Impact

None.

Risk Management Implications

Risk included on Directorate risk register? No

Separate risk register in place? No

The appointment of a permanent Head of Paid Service for the Council is a significant decision and there is a risk if the Council does not appoint a suitably competent person. The Council will mitigate that risk by drawing up a statement specifying the duties and qualifications or qualities to be sought in

the person to be appointed and assessing the suitability of the person to be appointed against that specification.

Equalities implications

The Council recognises its responsibilities to comply with the requirements of the Equality Act 2010 including its responsibilities as an employer and its general equality duty as a public authority under Section 149 of the Equality Act 2010.

It has carried out an equalities impact analysis of the proposals and has concluded that there are no specific equalities implications relating either to service delivery or to employment issues arising out of this report. The Council will continue to take full account of its equalities responsibilities through the implementation of any proposals.

Council Priorities

The Council's vision:

Working Together to Make a Difference for Harrow

If the proposal to re-instate the post of Chief Executive as Head of Paid Service is agreed, the person appointed will be responsible for delivery of the administration's priorities.

- Making a difference for the vulnerable
- Making a difference for communities
- Making a difference for local businesses
- Making a difference for families

Section 3 - Statutory Officer Clearance

Name: Simon George	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 8 September 2014		
Name: Hugh Peart	<input checked="" type="checkbox"/>	Monitoring Officer
Date: 8 September 2014		

Section 4 – Performance Officer Clearance

Name: Alex Dewsnap



Divisional Director
Strategic
Commissioning

Date: 5 September 2014

Section 5 – Environmental Impact Officer Clearance

Name: Caroline Bruce



Corporate Director
(Environment &
Enterprise)

Date: 8 September 2014

Ward Councillors notified:

NO

Section 6 - Contact Details and Background Papers

Contact: Jon Turner, Divisional Director, HR, Development and Shared Services
Tel: 0208 424 1225

Background Papers:

Report to Cabinet and minutes of Cabinet meeting - 15th January 2014
<http://www.harrow.gov.uk/www2/ieListDocuments.aspx?CId=249&MId=61435&Ver=4>

Report to Council and minutes of Council meeting - 27th February 2014
<http://www.harrow.gov.uk/www2/ieListDocuments.aspx?CId=288&MId=61446&Ver=4>

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

NOT APPLICABLE

[Call-in applies]

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Consultation regarding Senior Management arrangements

Prepared for the
London Borough of Harrow

Prepared by Liz Cochrane – August 2014

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1 Executive Summary

Facta Consult received a total of 384 responses to the consultation. All responses were received via e-mail.

Approximately two thirds of respondents expressed a preference for Option 1 (the-appointment of a Chief Executive) with about a third in favour of .Option 2 (Making permanent the current interim arrangement of a joint Head of Paid Service and Corporate Director). 21 individuals did not feel they had sufficient information to express a view (for example about the costs and the responsibilities each option involved), suggested an alternative (such as sharing a CEO with another council) or had no strong view.

The main reasons for favouring Option 1 (to appoint a Chief Executive) were the need for strong leadership, a clear direction, and the need to appoint someone with no bias towards a particular Directorate. There were also concerns about the size of a combined CE and Corporate Director role.

Those who supported Option 2 (to continue with the interim arrangement) were primarily driven by the need to save costs, or were happy with the current arrangement.

2 Methodology

Following the removal of the post of Chief Executive in November 2013 by the previous administration, Councillor David Perry, the Leader of Harrow Council, initiated a consultation exercise with all staff and Councillors in July 2014, requesting views on two permanent options for covering this role:

Option 1: Appointing a Chief Executive

Re-instating the post of Chief Executive, who would also be the Council's Head of Paid Service

Option 2: Making permanent the current interim arrangement of a joint Head of Paid service and Corporate Director

Appointing one of the Corporate Directors permanently to carry out the Head of Paid Service role in addition to their Corporate Director role

Facta Consult, an external and independent research organisation, was used to collect and analyse all responses to the Leader's consultation, thus ensuring anonymity and objectivity.

Views were collected by email to Facta, using an external server. Facta checked all responses for duplicates, and where these were identified, only one response has been considered in the report which follows.

Of the responses received by the closing date for the consultation (31 July 2014) six were 'out of office' replies, which were discarded, three individuals expressed views twice, and another three times. Only the first response in each case was considered.

The report which follows provides an overview of preferences plus an analysis of the themes emerging from the emails in which senders had chosen to give reasons for their preference.

3 Detailed results

Views favouring Option 1: Appointing a Chief Executive

Option 1 was the majority view for respondents,

The most widely expressed reasons for favouring the appointment of a Chief Executive position were the need to have an objective individual with no perceived bias towards a specific department, the need for a strong leader to take the Council through the difficult period ahead, and the need for a transparent governance structure.

The quotes that follow reflect the most frequently cited arguments:

“I also believe it ensures that all departments can be looked at objectively by the Chief Executive as they will have no connections to any directorate.”

“The Council faces its most challenging time ever over the coming four years, and to enter this with unclear governance at the senior levels in the organisation is a huge risk. Any decision must be looked at in the context of value, not cost...”

“A Head of Paid Service holds responsibility for an individual service in addition to the corporate leadership role. It is not just whether an individual can effectively ensure that they don't allow their service responsibilities to influence decisions made as the corporate Leader, but also that they are seen to be impartial.”

“I believe Harrow needs a chief executive to dedicate the time to leading this organisation both within the council and with external partners and stakeholders. Given the current financial challenges and the need to focus on resident engagement I believe this needs a chief executive full time in the role.”

“In these difficult circumstances that local government face we need strong direction and leadership. Many of the savings we need to make can be facilitated by working across directorates. Without a strong leader I fear that we will end up a divided council working in silos.”

“Just as we have a Leader of the Council who represents the Community, we need a Chief Executive who would represent the Organisation.”

“I would like to end this by saying - a leader is not defined by autocratic characteristics but by an innate ability to serve others. I do hope the post is reinstated even if it's to share between two different authorities/council.”

People were very concerned about the message that reinstating the CE position could give to the outside world, and were keen that the appointment should be paid for with subsequent cost savings.

“It is my opinion that a chief executive should be restored while at the same time losing 1 or 2 corporate directors' posts by sharing roles....”

“A key risk if the chief executive model were adopted would be cost and the perception of investment in senior management at a time of major savings in services. This could be mitigated if other savings in senior management accompanied the change or flowed directly from it.”

A number wanted reassurance that there would be no additional costs should the appointment not prove successful while some would prefer an internal appointment:

“My preference is for a CE post (Option 1) - a shared CE post (with a partner, such as the NHS, or another Council) would be less costly. Perhaps it is time we looked to sharing a CE with the private sector!”

“We need an external appointment ie someone new into the organisation in order to change the culture and "shake" the organisation into place to achieve the savings we need to achieve.”

“Harrow Council have £75m of savings to make in 4 years. This will not be achieved with Option 2. We need to make an EXTERNAL appointment. Preferably one in possession of a hatchet.”

The need for stability was another commonly expressed view, which was also prevalent in the supporters of Option 2.

Views favouring Option 2: joint Head of Paid Service and Corporate Director

The most common theme in the comments from those that favoured Option 2 was that it was likely to be the cheaper option.

“Whichever option saves us more money - which sounds like option 2.”

“There is no need to add yet another layer of Senior Management. Option 2 would work perfectly and also at a time when the authority has to save £75 million not incur an extra salary cost.”

There was also a view that it would be reputationally risky to re-introduce a highly paid role in a period when financial cuts were needed, and may be viewed as a backwards step.

“I believe that at a time when the Council is having to reduce its controllable spend by up to 75m over the next few years it would be damaging for the organisation to reintroduce a highly paid Chief Officer Position.”

Others believed that nothing was broken that needed fixing and that the money that had already been saved by deleting the post could be put to better use.

“If the current arrangements are working this is the preferred option as hopefully the savings made would help to protect frontline workers and services.”

“The money that was saved as a result of deleting the Chief Executive post could be found through restructuring at the next tier which I believe would benefit the Council further. There are many good people in the organisation at tier 2 or 3 and at that level there are better opportunities for merging responsibilities.”

“I have always been of the opinion that an expensive, separately employed, unelected Chief Executive is an expensive luxury, and that all these duties can be carried out by an elected Council Leader and his or her Directors.”

Finally, there were a number of comments recommending a review of the top management structure with a view to becoming more efficient as well as cost effective.

“Option 2 preferred... With proviso that the next 2 tiers are also reviewed for equity, and the number of meetings/Panels routinely operating are significantly reduced to free up strategic capacity.”

“If the shared model is selected it would be important that the post holder was allowed to review the number of direct reports and capacity was kept under review during periods of where performance issues or change were particularly acute.”

Other views

There were three main reasons why people did not express a preference. The first was that not enough information had been provided on either the costs of a new Chief Executive, or what the job role would entail, and how this compared with the current arrangement.

“Apologies for not being specific as to my preference, I just wanted to state that it was sad that we didn’t get all the information to be able to give an informed response/opinion to the consultation.”

“Difficult to give an opinion without understanding the difference between roles of Chief Executive and Head of Paid Services, other than the Head of Paid Services will have another job to do.”

Secondly, people could see risks and benefits to both options, and were unable to make up their minds.

“Both options have risks and benefits.”

“Arguably an extended period of interim arrangements is as important an issue as the model that is adopted.”

Thirdly, some people thought that either model could work, and that it was more important to look at the skills that a new individual might bring to Harrow, and the priorities for the Council.

“It is important that the model chosen can respond to what the organisation, partners, residents and members need from it over the next few years.”

“Ultimately, the fit of the person selected to the organisation and its agenda will be as important as the senior role which is decided upon.”

“A better option would be sharing the role with one of the neighbouring authorities.”

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