

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



Chief Financial Officer

Date: 8 September 2014

Name: Hugh Peart



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]