

North Tyneside Council

Report to Cabinet

Date: 11 June 2012

ITEM 7(h)

Title: Senior Management Arrangements

Portfolio(s): Elected Mayor

Cabinet Member(s): Linda Arkley

Report from Directorate: Chief Executive's Office

Report Author: Alison Lazazzera (Tel: 0191 643 5012)
Strategic Human Resources Manager

Wards affected: All

PART 1

1.1 Purpose:

The purpose of this report is to seek approval to minor changes to the Council's senior management arrangements.

1.2 Recommendation(s):

It is recommended that Cabinet:

- a) Agrees to the extension of the current contract for services in respect of the Interim Chief Executive from 1 October 2012 to 31 May 2013, for the reasons outlined in the report.

1.3 Forward Plan:

This item does not appear on the forward plan but requires consideration by Cabinet to provide clarity over the senior management arrangements.

1.4. Council plan and policy framework

This report relates to Theme 1 in the Council Strategic Plan:

Information:

1.5.1 Background

Cabinet considered a report on 7 February 2011 and approved the appointment of an Interim Chief Executive, given the circumstances surrounding the recruitment to the permanent Chief Executive post and the market of candidates available.

Cabinet also considered a report on 8 August 2011 and agreed to an extension of the contract for a 12 month period up to 30 September 2012. A report to Cabinet on 16 January 2012 also approved an extension to the contract in terms of the number of days

to be worked on the basis that a Director post was being deleted from the Council's Senior Management Structure.

The position is therefore that the current contract for the Interim Chief Executive is in place up to 30 September 2012 and Cabinet will therefore need to consider the arrangements post September in terms of the Senior Leadership Team of the Council, particularly given the significant changes which will be taking place over the coming months in relation to new models of service delivery and restructuring of the Council.

1.5.2 Options Appraisal

The current contract the Council has in relation to the Interim Chief Executive runs until 30 September 2012 and is procured via Gatenby Sanderson as one of the companies on the Council's Executive Recruitment Framework Agreement. Cabinet may wish to consider a further extension to this contract in order to provide stability during a period of significant change for the Council. This extension would be based upon the current hours of the Interim Chief Executive which Cabinet agreed in January 2012 and would run for the period 1 October 2012 to 31 May 2013.

Alternatively Cabinet may wish to end the current arrangements and seek to appoint to the permanent post of Chief Executive. This is not felt to be practical given the period of change the Council is in and the timescales which would be involved in such a recruitment exercise.

A final option would be to end the current arrangements, and to choose not to fill the post on either an interim or permanent basis. Given the immediate challenges facing the Council this option is not considered feasible.

Taking all of the options into account, extension to the current Interim Chief Executive contract is the most appropriate solution, continuing to provide stability throughout a period of significant change. This option would provide consistency and certainty for the Council during a period of significant change and enable the Council to undertake appropriate planning in relation to the Council's future.

Those services currently within the Strategic Services Directorate would continue to report to the Chief Executive throughout the duration of the contract.

From 1 October 2012, the proposal would be that the Interim Chief Executive would continue to work 4 days per week as is current practice. This will enable the Council to continue to have additional senior management capacity during a period of significant change.

1.4 Decision options:

Option 1 – To agree the revised arrangements and extend the contract of the Interim Chief Executive as described in the report.

Option 2 – To allow the current contract in respect of the Interim Chief Executive to terminate on conclusion of its current term (on 30 September 2012), and to recruit to a permanent Chief Executive.

Option 3 – To end the current arrangements, upon expiry of the contract, and not fill the post of Chief Executive.

1.5 Reasons for recommended option:

Option 1 is the recommended option for the following reasons:

- The need for ongoing stability during significant change
- The failed attempt to recruit to a full time, employed Chief Executive and the timescale which would be involved in making such an appointment.

1.6 Appendices:

There are no appendices

1.7 Contact officers:

Alison Lazazzera, Strategic HR Manager

1.8 Background information:

Cabinet report 7 February 2011 (Senior Management Arrangements)
Cabinet report 8 August 2011 (Senior Management Arrangements)
Cabinet report 16 January 2012 (Senior Management Arrangements)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

On 1 March 2012 Council approved the general fund revenue budget for 2012/2013 that included an estimated saving of £0.178m arising from the termination of the contract for the Interim Chief Executive from 01 April 2012.

On the 28 March 2012, following further consideration, Cabinet determined that no action be taken in respect of the proposed termination of the contract. This resulted in a financial pressure of £0.178m; however at this meeting the overall financial implications of the Cabinet considerations remained within the budget envelope.

Taking into consideration periods of annual leave the estimated on-going cost of the current interim arrangement to 30 September 2012 is £0.074m. Extending the arrangement to the end of May 2013 would result in an additional cost of £0.064m in the 2012/2013 financial year. The total estimated cost for 2012/13 is therefore £0.138m; therefore the financial pressure is £0.040m lower than previously reported. This revised forecast will be included in subsequent updates to the Council Strategic Plan and 2012/3 Budget Implementation plan.

2.2 Legal

Cabinet has responsibility for functions relating to senior management structures and for contracts for services. In making any decision in relation to contracts for services, Cabinet need to be satisfied that it is appropriate and proper for the authority to enter into or extend any contract for services, taking into account all relevant factors and circumstances associated with the arrangements at the time the decision is taken.

In relation to a contract for services with respect to a senior officer position such as the Interim Chief Executive, it is reasonable for Cabinet to seek the views of the Council in

advance of taking such a decision, although the matter in which those views are sought is a matter for Cabinet. It is proposed in this case that such views are sought through consultation with Group Leaders, as described in paragraph 2.3.

The Council has procured a framework agreement for the provision of executive recruitment through which the services of interim senior managers may be secured. The framework agreement set up is compliant with the EU procurement regime. The proposed extension of the contract for services in relation to the Interim Chief Executive would be secured through this agreement.

2.3 Consultation/community engagement

Consultation is being undertaken with Group Leaders who have been invited to provide comments on the proposals contained within this report prior to consideration of this item by Cabinet. Consultation has also taken place with the Elected Mayor.

2.4 Human rights

There are no human rights issues in relation to the contents of this report.

2.5 Equalities and diversity

There are no equality and diversity issues in relation to the contents of this report.

2.6 Risk management

The potential risks associated with capacity in the Council's Senior Management Team are covered in the report.

2.7 Crime and disorder

There are no crime and disorder issues in relation to the contents of this report.

2.8 Environment and sustainability

There are no environment and sustainability issues arising from this report,

PART 3 - SIGN OFF

- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Strategic Manager for Policy And Partnerships