

# North Tyneside Council

## Report to Cabinet

### Date: 10 September 2012

#### ITEM 7(b)

Title: Senior Management Arrangements

Portfolio(s): Elected Mayor

Cabinet Member(s): Mrs Linda Arkley

Report from Directorate: Chief Executive's Office

Report Author: Fiona Rooney (Tel: 0191 643 5724)  
Strategic Director of Finance and Resources  
and Head of Paid Service

Viv Geary (Tel: 0191 643 5339)  
Head of Legal, Governance and Commercial  
Services

Wards affected: All

#### PART 1

##### 1.1 Purpose:

The purpose of this report is to refer the Motion agreed by the Council at its meeting on 4 July 2012 in relation to the Authority's senior management arrangements to Cabinet and to advise Cabinet of the respective roles of the Cabinet and the Appointments and Disciplinary Committee in relation to the recruitment and appointment of Officers to the Authority's Senior Management.

##### 1.2 Recommendation(s):

It is recommended that Cabinet:

- a) Notes the Motion agreed by Council;
- b) Confirms that a Chief Executive be recruited by the Authority to take effect after the expiry of the contract of the Interim Chief Executive; and
- c) Delegates to the Head of Paid Service, in consultation with the Elected Mayor and the Strategic Human Resources Manager authority, to:
  - i. Approve the broad duties and responsibilities of role of Chief Executive and to determine from when a successful candidate for that role would be required; and
  - ii. following the determination of i) above, advise the Appointments and Disciplinary Committee accordingly to undertake the recruitment and appointments process for a Chief Executive.

### **1.3 Forward Plan:**

This item does not appear on the forward plan but requires consideration by Cabinet to respond to Council's motion and to provide clarity over the senior management arrangements going forward.

### **1.4 Council plan and policy framework**

This report has no direct relevance to the Council Strategic Plan.

### **1.5 Information:**

#### **1.5.1 Background**

Cabinet has previously considered reports in February and August 2011 and June 2012 and approved the appointment of an Interim Chief Executive and continuation of that arrangement until 31 May 2013, given the circumstances surrounding the recruitment to the permanent Chief Executive post, the market of candidates available and recently because of the significant changes planned to take place over the forthcoming months in relation to new models of service delivery and restructuring of the Council.

#### **1.5.2 The Council Motion**

At the meeting of the Council held on 4 July 2012, the Council resolved:

"That this Council is concerned that the decision to make a permanent appointment of Chief Executive is being further delayed to beyond May 2013 by the Elected Mayor. This Council feels that it is in the best interests of North Tyneside to make a permanent appointment as soon as possible to stabilise the Council during a significant organisational change in the provision of Council services. Council therefore requests the Cabinet to commence this recruitment process without delay."

#### **1.5.3 Future arrangements and Cabinet's responsibilities**

Prior the expiry of the contract for services in relation to the Interim Chief Executive, arrangements in relation to the Authority's senior management arrangements will need to be put in place to take effect on expiry of that contract to ensure continuity of service provision and strategic direction.

The Cabinet will recall that attempts to recruit a Chief Executive, as an employee, in 2010 proved unsuccessful. Since that time the employment market of suitable candidates has had the time to refresh and it would be possible for the Authority to seek to recruit a Chief Executive as an employee upon the expiry of the Interim Chief Executive's engagement under a contract for services.

It is the responsibility of the Cabinet to determine the structure of the Authority's workforce, including the broad duties attributed to particular posts and to determine whether and when a post will be available to be recruited to.

Cabinet therefore need to consider whether a Chief Executive is to be recruited and, if so, when the post is expected to be filled. If Cabinet wish to recruit to the post of Chief Executive the decision of Cabinet would be reported to the Appointments and Disciplinary Committee for action on undertaking the recruitment process.

If Cabinet do not wish to recruit a Chief Executive as an employee, consideration would be required of the alternative senior management arrangements that would be necessary upon the expiry of the Interim Chief Executive's engagement.

It is anticipated that if the Authority is to recruit a Chief Executive, to take effect after the expiry of the contract of the Interim Chief Executive, under a permanent or fixed term contract of employment, a recruitment exercise would need to be undertaken from February/March 2013 with a view to selection in late May.

#### **1.5.4 Council's responsibilities**

Council has delegated its responsibilities in relation to the recruitment and appointment of senior employees to the Appointments and Disciplinary Committee. Where the Appointments and Disciplinary Committee are advised by Cabinet of the requirement to recruit and appoint a Chief Executive taking into account, as determined by Cabinet:

- a) the structure of the Authority's workforce,
- b) the broad range of duties to be undertaken by such a role, and
- c) the timescale for such an appointment to take effect,

the Committee is responsible for the recruitment and appointment process. In particular, the Committee is responsible for:

- a) determining whether to appoint recruitment consultants to assist in the selection of suitable candidates;
- b) approving the role description and person specification;
- c) short-listing candidates and
- d) selecting a suitable candidate for appointment.

#### **1.6 Decision options:**

Option 1 – To agree the recruitment of a Chief Executive as an employee of the Authority 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 31 May 2013), and to then consider alternative senior management arrangements.

#### **1.7 Reasons for recommended option:**

**Option 1 is the recommended option for the following reasons:**

- The need for ongoing stability during significant change and the refresh of the employment market since 2010.

#### **1.8 Appendices:**

There are no appendices.

## **1.9 Contact officers:**

Fiona Rooney – Strategic Director of Finance and Resources and Head of Paid Service  
Tel: 0191 643 5724

Carol Murphy – Assistant HR Manager (Strategy, Industrial Relations and Reward) Tel:  
0191 643 5027

Vivienne Geary – Head of Legal, Governance and Commercial Services Tel: 0191 643  
5339

Stephen Ballantyne – Lawyer Specialist – Governance and Employment Tel: 0191 643  
5329

Jon Ritchie – Head of Finance Tel: 0191 643 5800

## **1.10 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**

The 2012/13 budget, agreed by Council on 1 March 2012, deleted the Chief Executive post and associated budget. During 2012/13 the Interim Chief Executive post has been retained at a cost of £0.138m, with the associated financial pressure being managed within the Implementation Plan overall financial position.

Any decision to appoint a full time post or to extend the interim arrangement are not funded within the Council's current base budget so would need to be taken into account when agreeing the 2013/14 budget proposals.

The actual cost in 2013/14 will depend on the timing of the appointment, the recruitment costs involved and any interim arrangement before the full time post is filled. In terms of quantifying the financial implications for this report, the full year cost has been included as a guide to the expected on-going cost of the post.

The Pay Policy Statement approved by Council on 29 March 2012 sets out the pay grade of the Chief Executive post. This confirmed a Hay Grade of £159,800. Based on the latest published salary tables for 2011/12 the total budget requirement with on-costs (assuming contracted out rates apply/Chief Executive will be a member of the Pension Fund) would be £0.203m.

### **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.

### **2.3 Consultation/community engagement**

Consultation has taken place on the proposals with Group Leaders 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
- Chief Executive