

North Tyneside Council

Report to Cabinet

Date: 16 January 2012

ITEM 7(c)

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 changes to the Council's senior management arrangements.

1.2 Recommendation(s):

It is recommended that Cabinet:

- a) agrees to the deletion of the post of Strategic Director of Strategic Services within the Senior Leadership Team outlined in this report;
- b) agrees to the changes to the contract of the Interim Chief Executive as set out in the report below

1.3 Forward Plan:

This item does not appear on the forward plan as it is linked to the outcome of the recent recruitment to the Director of Strategic Services post and the subsequent decision not to fill the post.

1.4 Council plan and policy framework

This report relates to the following Theme in the 2011-15 Council Strategic Plan:
"Our Resources"

1.5 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. In addition a report to Council which followed, approved the Strategic Director of Finance and

Resources appointment to the Head of Paid Service role during the period whilst an Interim Chief Executive was to be engaged.

Cabinet on 8 August 2011 also considered the post of Head of Strategic Services and agreed to the redesignation of this post to Strategic Director level, given the two previous attempts to fill this Head of Service post and the additional duties which would be required of this post going forward.

The current position is that the Council's Appointments and Disciplinary Committee has been unable to make an appointment to the Strategic Director of Strategic Services post and for this reason consideration needs to be given as to the most appropriate course of action in relation to the senior management arrangements for the Council, given that a Strategic Director post will be vacant at the same time that a part time, Interim Chief Executive is in place.

1.5.2 Options Appraisal

Consideration has been given to the Strategic Director of Strategic Services post and the post of Chief Executive, given the challenges the Council will be facing over the next 12 months and beyond linked to the Council's Change, Efficiency and Improvement Programme.

Given the circumstances, one option would be that the post of Strategic Director of Strategic Services should be deleted from the Council's Senior Management Structure, given the inability to recruit to this post. The savings from the deletion of this post would then form part of the budget process and associated savings for 2012/13. The post would be deleted from 1 April 2012.

In order for this to take place, there will be a requirement to have a Chief Executive with the Council who can provide more cover than the current part time arrangements with the current interim appointment. An extension to the working hours and change to the contract for the current Interim Chief Executive would therefore be required from 1 April 2012.

The current contract the Council has in relation to the Interim Chief Executive runs until the end of September 2012 and is procured via Gatenby Sanderson as one of the companies on the Council's Executive Recruitment Framework Agreement.

A second option would be to delete the Strategic Director of Strategic Services post and leave the Interim Chief Executive hours as currently contracted. This is not felt to be practical given the period of change the Council is in.

A final option would be to make no changes to existing arrangements. Given the difficulty in recruiting at Head of Service and Strategic Director level, this option is not feasible.

Taking all of the options into account, deletion of the post Strategic Director of Strategic Services and extension to the current Interim Chief Executive working hours is the most appropriate solution, continuing to provide stability throughout a period of significant change. Those services currently within the Strategic Services Directorate would from 1 April 2012, report directly to the Interim Chief Executive.

From 1 January to 1 April 2012, the proposal would be that the Interim Chief Executive would work 3 days per week. This will enable the Council to continue to have additional

senior management capacity to provide support during the budget setting process. From 1 April 2012 until the end of September 2012 this will increase to 4 days a week to enable cover for the Strategic Director post which will be deleted. A further report will be submitted to Cabinet in relation to the senior management arrangements of the Council from 1 October 2012.

1.6. Decision options:

Option 1 – To agree to increase the Interim Chief Executive's hours to 4 days per week from 1 April 2012 and delete the Strategic Director of Strategic Services post.

Option 2 – To delete the post without increasing the Interim Chief Executive's hours.

Option 3 – Make no changes to the existing arrangements.

1.6 Reasons for recommended option:

Option 1 is the recommended option for the following reasons:

- The need for ongoing stability during significant change;
- The failed attempts to recruit to a full time, employed Chief Executive and Head and Strategic Director of Strategic Services posts; and
- There will be a significant budget saving for 2012/13.

1.7 Appendices:

There are no appendices

1.8 Contact officers:

Alison Lazazzera, Strategic HR Manager (tel: 0191 643 5012)

1.9 Background information:

Cabinet report 7 February 2011 (Senior Management Arrangements)

Cabinet report 8 August 2011 (Senior Management Arrangements)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The costs within 2011/12 can be contained within the existing Chief Executive budget. There will be a net saving of £70,000 (full year effect) in 2012/13 after providing a small amount to allow minor salary enhancements for some of the Senior Manager level posts within the Strategic Services area where some additional responsibilities will be required under these new interim arrangements.

2.2 Legal

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 of the Interim Chief Executive will be secured through this agreement.

2.3 Consultation/community engagement

Group Leaders have been consulted.

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 within 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

- Strategic Director(s) ☒
- Mayor/Cabinet Member(s) ☒
- Chief Finance Officer ☒
- Monitoring Officer ☒
- Strategic Director with responsibility for Community Engagement ☒

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Our Ref: FR/SB/SO

Your Ref:

Date: 18 November 2011

To: All Members of the Cabinet

Dear Cabinet Member

Appointment and Disciplinary Committee – 17 November 2011
Appointment of Strategic Director of Strategic Services

I refer to the meeting of the Appointment and Disciplinary Committee held on 17 November 2011 to consider the appointment of the Strategic Director of Strategic Services.

In accordance with Paragraph 5 of the Officer Employment Procedure Rules of the Council's Constitution and the Local Authorities (Standing Orders) (England) Regulations 2001, I am required as the Head of Paid Service to advise you of the name of the candidate to whom the Committee wishes to make an offer of appointment. The name of the selected candidate is [REDACTED] 4

I also enclose with this letter for your information and consideration a copy of the job description and person specification for the post as well as the selected candidate's application form.

The Cabinet may object to the offer of appointment being made to the selected candidate.

If the Cabinet do wish to make an objection to the appointment then the Mayor on behalf of the Cabinet must submit any objection(s) to me by 5.00pm on Wednesday 23 November 2011. Any objection(s) by Cabinet must be in writing.

If the Cabinet do not wish to make an objection then the Mayor on behalf of the Cabinet must again advise me in writing by 5.00pm on Wednesday 23 November 2011.

Any such objection(s) received will be referred to the Appointment and Disciplinary Committee. If the Committee is satisfied that the objection(s) received from Cabinet are not material or well-founded then the offer of appointment will proceed to be made to the selected candidate.

Yours faithfully

Fiona Rooney
Head of Paid Service

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Graham Haywood
CHIEF EXECUTIVE

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Our Ref: GH/JL

Your Ref:

Date: 29 November 2011

Councillor
Quadrant East
(D1)

Dear Councillor

Appointments Committee – 17 November 2011
Director of Strategic Services

I am writing to confirm the events that have followed since the Appointments Committee on 17 November, albeit all Members have had a verbal explanation.

The Committee, by a majority, indicated that they wished to offer the post to candidate No. 4. The candidates had been advised that they would be contacted that evening to be told the outcome.

I personally spoke to candidate No. 4 and very openly and honestly explained that the potential offer of employment was subject to a period of consultation with the Cabinet (as is now common in English Local Authorities Standing Orders). I also explained that the decision was by a majority and that he needed to be aware of that position. I offered to speak to him again and asked him to confirm if he wished to proceed. I agreed that he should take a few days to think about the situation.

The appropriate letter to Cabinet was dispatched on Friday, 18 November giving until Wednesday, 23 November for any comments or objections to be submitted.

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On the evening of Tuesday, 22 November candidate No. 4 telephoned to say that after careful consideration, including a conversation with the Chief Executive of his current authority, he had decided to withdraw.

On Wednesday, 23 and Thursday, 24 November Members of the Appointments Committee were advised verbally and asked for their views on whether to re-convene the Committee to consider the other candidates. There were very mixed reactions from Committee members and no prospect of reaching a consensus.

In these circumstances the only sensible course of action is not to make an appointment and the Mayor has now indicated that the post should be deleted as part of the budget savings for 2012/13.

I have endeavoured to act openly and honestly with all the candidates before, during and after the interviews and have very straightforwardly explained events to Members informally and now in this letter. However if any Member wishes further information or wishes to speak to me further, please do not hesitate to contact me.

Yours sincerely

Graham Haywood
Chief Executive