

HARBOROUGH DISTRICT COUNCIL

REPORT TO THE CABINET MEETING OF 7TH FEBRUARY 2022

PUBLIC REPORT: N

EXEMPT REPORT: Y

Exempt by virtue of paragraphs 1 & 2 of Schedule 12(A) of the Local Government Act, 1972

Report Title	Review of Chief Executive post, Management Structure, and Interim Arrangements for Statutory Officers
KEY DECISION	Y
Report Author	Rebecca Jenner – HR Manager
Purpose of Report	To review the current Chief Executive model due to the retirement of the Chief Executive on 28 February 2022 and to consider options for the future structure of the management team including statutory officers
Reason for Decision	Following the decision of the Chief Executive to retire in February 2022, there is an opportunity to review the current Chief Executive operating model and to consider alternative Senior Management structures as per the detail outlined in the body of this report.
Portfolio (holder)	Councillor Dann
Corporate Priorities	Overall responsibility for delivering the Corporate Plan and priorities
Financial Implications	The budget for 2022/23 has taken account of potential savings for a wider management team. If the management team structure remains the same these savings could potentially not be achieved. An option to share statutory and chief officers could be considered and help to achieve the planned savings.
Risk Management Implications	<ol style="list-style-type: none"> 1. Periods of change and transformation can be unsettling for the organisation and affect delivery of services. 2. Even if the status quo of the current Chief Executive model is continued and the decision is to recruit to that post externally there will be a period where no permanent Chief Executive Officer (CEO) is in post.

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	<p>This needs to be addressed by the appointment of a Head of Paid Service during any interim period as it is a legal requirement.</p> <p>3. If a shared option approach is adopted, it is likely to result in a longer-term restructure transformation of teams across authorities due to duplication. If a shared Chief Executive Officer model is followed this will result in a potential reduction of dedicated Chief Executive Officer capacity and resource at The Council as time will be shared between two authorities. The structure below Chief Executive would need to ensure that all the councils service needs are met.</p>
Environmental Implications	None
Legal Implications	As set out in the body of this report
Equality Implications	As set out in the body of this report
Data Protection Implications	None
Consultation	<p>The Leader</p> <p>Officers who may be affected by any potential restructure need to be consulted with on any proposed changes. Unions will be consulted as appropriate.</p>
Options	<ol style="list-style-type: none"> 1. To retain the status quo Chief Executive Model and recruit to the vacant Chief Executive post, either internally first or concurrent internal and external recruitment. 2. To consider alternative Chief Executive models, such as a shared model approach with another Local Authority with a report on the resources and financial implications of the options to a future cabinet meeting. <p>These options are detailed in the body of this report</p>
Background Papers	none
Recommendation	<ol style="list-style-type: none"> 1. To recommend to Council the appointment of the Deputy Chief Executive, Elizabeth Elliott, into the post of interim Chief Executive from the 1st March 2022, and undertake the roles of Head of Paid Service, Electoral Registration Officer

	<p>and Returning Officer, for an interim period of up to 6 months.</p> <ol style="list-style-type: none">2. To consider the options on permanent recruitment to the vacant Chief Executive post and to confirm their preferred option.3. To note that the Deputy Chief Executive, in the new role as Head of Paid service from 1st March 2022, will consider the options for the structure of the remaining chief officer posts including Statutory Officers and commence any recruitment to the current vacancies that may be required.4. To recommend to council to agree the principle of potentially sharing chief officers including Statutory Officers with other Local Authorities.5. To note the appointment of an interim Monitoring Officer, Barbara Morris from 1st January 2022 for a period of 3 months6. To recommend to council that Barbara Morris be appointed as the Monitoring Officer for a further 3 months, for the period of 1 April 2022 to 30 June 2022.
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1. Introduction

Following the recent announcement from the Chief Executive to retire on 28th February 2022, this is an opportunity for the Leader of the Council and Cabinet members to review the current Chief Executive model alongside other local Authority Chief Executive models to decide if the status quo is to remain and recruitment to that post is made or to explore the options to adopt a different model.

2. Key Facts

The appointment of the CEO and Head of Paid Service is a Council decision as is that of the other Statutory Officers.

The appointment of the interim Monitoring Officer for a period of 3 months with effect from 1 January 2022 was completed in line with the constitution, as the council had to have a Monitoring Officer in place to be legally compliant. It is a statutory requirement under Section 5, Local Government & Housing Act 1989.

The Director of Communities vacancy is currently filled on an interim basis, initially for 6 months due to finish in early June 2022. It is proposed to extend this for a further 6 months for consistency and continuity whilst proposals are developed.

Options to consider

Shared Chief Executive Models

One Chief Executive across two (or more) areas either with an integrated management team or with partially integrated management team has been found to be a good operating model.

There are various examples of a shared Chief executive model, with and without a fully integrated shared management team. An example of a fully integrated team is the South and East Lincolnshire Councils model.

[South and East Lincolnshire Councils Partnership structure](#)

If a shared model with another authority, with a potentially wider shared management team was adopted there would need to be a restructure of the senior management team at the Council, and potentially of other teams across the two councils where there may be a duplication of function. This could result in competitive selection and redundancies if for example there were two of the same or similar posts at both Councils. To achieve this structure would take time to harmonise the roles, however, there are currently 2 vacancies at chief officer level which could be shared with another local authority in the short term.

One Chief Executive across two areas without having a fully integrated management team with the option to look at sharing chief officers across other local authorities where there is a strong business case and synergies to do so. Three of the North Northamptonshire councils, prior to Local government reform, operated shared Monitoring Officer and shared Director of Planning roles effectively.

It does need to be recognised that if the intention was to share a Chief Executive, this would significantly reduce the capacity of the Chief Executive for each council. The knock-on effect would be that the structure below the Chief Executive would need to ensure that the needs of each of the councils would be fully met with reduced dedicated time.

It is of course the case that, the increased responsibilities for acting across two authorities could result in attracting a wider range of candidates with the appropriate level of skills at all levels of the management team. It may also benefit the councils by increasing their ability to act in a more strategic capacity across both regional and national forums together with stronger positioning in partnerships.

The details and risk analysis of this option would need to be fully explored and a proposal brought back to cabinet at a future date.

The principle to share chief officers would need to be agreed at council. The structure of the management team below the CEO would then be covered by the appointed Head of Paid service. The interim Chief Executive would begin to explore options for the other chief officer vacancies.

Other CEO Model in use

There are other Chief Executive models currently in use across local government which could also be explored further if Cabinet wished to do so.

A Shared Chief Executive with a county council – either as Director/Deputy Chief Executive of county (as in Selby) or Chief Executive of both (as in Oxfordshire and Cherwell).

[Cherwell District Council Shared management structure](#)

[Chief Executive and senior officers | Selby District Council](#)

A Prima inter paras models where Executive Directors take the role of Head of Paid service in turn. This is similar to the Joint Chief Executive model previously in place at Harborough District Council and also currently in place at Amber valley Council.

Recruitment and Selection

Recruitment Consultant Costs for end-to-end recruitment campaign for Chief Executive

If we engaged with a specialist recruitment consultant to support the recruitment to this role, this could incur a permanent placement fee of 30% of the starting salary, in line with the grading of the post as detailed in the pay policy statement. There would be an advertising cost on top; additional cost for shortlisting and for sitting on the interview panel and running an assessment centre. This approach can see significant costs in addition to the placement fees. Actual costs will be obtained in line with the Council's procurement procedures.

Psychometric testing costs for shortlisted candidates through East Midlands Councils are approximately £150 per candidate, a recruitment consultant would charge considerably more. This type of testing is essential for senior posts as they give a greater depth of understanding of how potential candidates manage and behave in specific workplace situations and challenges.

Time to fill the post if recruited externally

An approximate time to fill the post externally could take up to six months and likely longer depending on the length of notice period of an incoming new Chief Executive. The interim Chief Executive post would need to be in place to cover this period.

Legal implications

Any changes to terms and conditions to any post or where individuals are placed at risk of redundancy there is a requirement for formal consultation, which should be a minimum of 30 days. Some minor changes may be able to be agreed through informal consultation, for example a change of reporting line only.

Should any of the current Chief Officers posts be affected by a restructure, for example by reducing responsibilities or removing a post altogether and thereby

putting the roles at risk of redundancy, these redundancy costs and consultation timetable will need to be factored in.

Section 4 of the Local Government and Housing Act 1989 requires every relevant authority to designate one of its officers as Head of the Council's Paid Service.

The Council is required to appoint a Monitoring Officer by section 5 of the Local Government & Housing Act 1989.

The Council is required by law to appoint a Monitoring Officer and under the Council's Constitution, the decision must be taken by Full Council. The Council's Head of Paid Service and the Chief Finance Officer cannot also hold the position of Monitoring Officer.

The Monitoring Officer has a number of statutory duties and responsibilities relating to the Council's Constitution and the arrangements for effective governance. These duties include maintaining the constitution, ensuring that no decision or omission of the Council is likely to give rise to illegality or maladministration and promoting high standards of conduct.