

REPORT 3

HARBOROUGH DISTRICT COUNCIL

REPORT TO THE CABINET MEETING OF 7TH June 2022

PUBLIC REPORT: Yes

Report Title	Senior Officer structure options
KEY DECISION	Y
Report Author	Rebecca Jenner – HR Manager
Purpose of Report	To consider options for the future structure of the senior officer management structure 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 structure 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 shared 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. This needs to be addressed by the appointment of a Head of Paid Service during any interim period as it is a legal requirement.3. If a shared option approach is adopted, it is likely to result in a longer-term restructure transformation programme of teams across authorities due to

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	<p>duplication. If a shared Chief Executive Officer model is followed this may result in a potential reduction of dedicated Chief Executive Officer capacity and resource at the Council as their time will be shared between two authorities. The structure below Chief Executive would need to ensure that all the Councils needs are met, and the benefits of a shared Chief Executive can be realised.</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 and Cabinet</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. 2. To consider alternative Chief Executive models, such as a shared model approach with another Local Authority. <p>These options are detailed in the body of this report and in Appendix 1</p>
Background Papers	Previous Cabinet reports
Recommendation	<ol style="list-style-type: none"> 1. To recommend to Council that the current interim Chief Executive, Elizabeth Elliott, is extended in the role until 31 December 2022 or until a new permanent appointment is in post if earlier, to cover the period of the recruitment and that Clive Mason acts as their deputy. 2. To consider the options in respect of a permanent recruitment to the vacant Chief Executive post and to confirm the preferred option to recommend to Council. 3. If the recommendation is to pursue a shared Chief Executive, to recommend to Council to delegate to the leader and interim Chief

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	<p>Executive the selection of a strategic partner, based on the criteria set out in this report, and to progress negotiations with that partner and report back to Council on the suggested way forwards at a later date.</p> <p>4. To recommend to Council that a new interim Monitoring Officer, name to be confirmed following a selection process, is appointed with effect from 1st July 2022 whilst a longer-term recruitment to the post is undertaken.</p> <p>5. To recommend that the current Interim Director of Communities contract is extended until the 31st March 2023 to allow time for any further changes to be considered and implemented.</p>
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1. Introduction

- 1.1 Following the retirement of the Chief Executive on 28th February 2022, there is now 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. At Council in February this year it was decided to explore the alternative options with a further report on the findings.

2. Key Facts

- 2.1 The appointment of the CEO and Head of Paid Service is a Council decision as is that of the other Statutory Officers.
- 2.2 The appointment of a Monitoring Officer is a statutory requirement under Section 5, Local Government & Housing Act 1989. The current interim MO is only in post until 30th June 2022. A longer-term interim solution is required, but due to the availability of candidates, a more focussed campaign is needed to recruit to this post. In the short term a further interim appointment is being made, subject to a selection process, to cover the period for the longer-term recruitment. The name of the proposed short term interim candidate will be advised at a later date.
- 2.3 The Director of Communities vacancy is currently filled on an interim basis, initially for 6 months due to finish in early June 2022 and extended by a further 6 months in the previous report. To ensure consistency and to deliver the key outcomes in the corporate plan relating to this post, it is proposed to extend this contract until the 31st March 2023, to allow time for any new Chief Executive to review the options for the senior management team.

3. Options to consider

- 3.1 Following the high-level option consideration at the February meetings, a further options appraisal was commissioned from an external company, which shows the benefits and risks of each option. This is detailed in Appendix 1. The Appendix shows the options on a sliding scale from a more internally focused Chief Operating Officer/Managing Director role, through to a single sovereign externally focussed Chief Executive, and up to fully integrated management teams across more than one organisation.
- 3.2 If a fully integrated, or partially integrated, model was preferred this would not mean that Harborough District Council would lose any sovereignty or concede any powers, but that its strategic and operational management of the organisation was acting at a more integrated level. There are options to have a partially integrated model under a shared Chief Executive, where the Council could keep some of its own officers dedicated to its own needs and share officers to cover more than one geography. How far up the scale the Council decided to go could be progressed over time if an initial shared Chief Executive model was agreed, and it could be taken at a pace that suited the Council's needs. If the shared Chief Executive model were pursued, then it would have an exit strategy developed at the same time to ensure that all parties were protected, and terms of the arrangement were clear.
- 3.3 It does need to be recognised that if the intention was to share a Chief Executive, this would reduce the capacity of the current Chief Executive structure for each Council. However, there would be synergies and benefits of having one shared role across a larger geographical area and more than one organisation. 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 Chief Executive time.
- 3.4 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.
- 3.5 If the recommendation is for a shared Chief Executive, then a suitable strategic partner body would need to be identified and negotiations commenced to see if the potential for a shared Chief Executive can be agreed upon. The criteria for strategic partner selection are set out in Appendix 2. If Cabinet select this option, then a second recommendation to Council would be needed to delegate to the leader and interim Chief Executive to undertake this assessment, selection, and negotiation, with a report on the proposed solution back to a future meeting.

4. Recruitment and Selection costs and implications as previously advised in the February report and included for completeness

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

4.1 If we engaged with a specialist recruitment consultant to support the recruitment to this role, this could incur a permanent placement fee of up to 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.

4.2 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

4.3 An approximate time to fill the post externally could take up to six months and maybe 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 and a recommendation is included in this report to cover that eventuality.

5. Further considerations

5.1 The interim Chief Executive is to continue in the post until such time as a permanent new chief executive is appointed but as this may be longer than originally anticipated a deputy needs to be put in place for the period of the interim role. It is proposed that Clive Mason undertake that role. Further internal reporting line changes for senior managers will be put into place to allow for the balancing of workload pressures and prioritisation amongst the Directors. This is within the responsibility of the head of paid service role and is included for information purposes only.

6 Legal implications as stated in previous reports

6.1 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, usually around 30 days if less than 20 people. Some minor changes may be able to be agreed through informal consultation, for example a change of reporting line only.

6.2 Should any of the current Chief Officer's 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.

- 6.3 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.
- 6.4 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.