

# Harborough District Council



## Report to Council 27 February 2023

<b>Title:</b>	Interim management arrangements
<b>Status:</b>	Public
<b>Key Decision:</b>	No
<b>Report Author:</b>	Rebecca Jenner
<b>Portfolio Holder:</b>	Councillor King – Leader of the council
<b>Appendices:</b>	None

### Executive Summary

- i. The appointment of the Chief Executive and Head of Paid Service is a Council decision. The council also has the responsibility to appoint other Statutory Officers.
- ii. Council considered the appointment of a shared chief executive as part of the report presented on 19th December 2022 but did not agree to the proposed approach. At the meeting the interim arrangements for the Chief Executive and Deputy Chief Executive were extended until the end of February 2023.
- iii. The appointment of a Head of Paid service is a statutory requirement and as such the council needs to ensure continuity in the appointment.
- iv. The two other statutory posts of Section 151 Officer / Chief Finance Officer and Monitoring Officer are also temporary arrangements (one acting up from a substantive post as Director of Resources, and the other via an agency).
- v. Of the two remaining posts in the councils corporate management team, one is a permanent post (Director of Planning) while the other (Director of Communities and Wellbeing) is also a temporary appointment.
- vi. Therefore, there are currently 4 interim appointments to the 5 Corporate Management team, roles - 2 filled by permanent staff members of the team undertaking different roles and 2 filled by interim staff members. These interim arrangements are proposed to continue until a new administration is formed following the May 2023 local government elections. At that time the new administration can determine how they wish to address the senior staffing arrangements for the council.
- vii. Council is invited to consider the options set out within this report for meeting its statutory staffing obligations and determine what robust and appropriate management arrangements should be put in place pending a more substantive review being undertaken by a permanent Head of Paid Service in due course.

## Recommendations

Council is recommended to:

**1. Agree:**

- (a) That the appointment of the current Head of Paid Service and Interim Chief Executive, Elizabeth Elliott, be extended until either 31 December 2023 or the date upon which a permanent appointee commences in post, whichever is earlier;**
- (b) That the Director of Resources and Chief Financial Officer, Clive Mason, continue to act as the Interim Deputy Chief Executive until 31 December 2023;**
- (c) That the local variation of terms and conditions for the period of the interim appointment to the role of Chief Executive as set out in the report.**

**2. Note:**

- (a) That the appointment of Clare Pattinson, Director of Law and Governance, as the council's Monitoring Officer, will continue until at least 30 June 2023;**
- (b) That the Interim Director of Communities, Vicki Jessop will continue in post until 31 May 2023**

## Reasons for Recommendations

- viii. The council is required to appoint individuals to the statutory posts of Head of Paid Service, Monitoring Officer, and Chief Finance Officer. These appointments are a function of Council.
- ix. The current interim Head of Paid Service appointment is due to expire on 28 February 2023. To remain compliant with legislation, a Head of Paid Service needs to be appointed with effect from 1 March 2023. The role is currently being fulfilled by the Deputy Chief Executive, who is acting as Interim Chief Executive.
- x. As a local election will take place in May 2023, while it is appropriate that decisions as to the permanent recruitment of the Chief Executive should be taken by the new administration, it is necessary for suitable temporary arrangements to be approved in the interim.

# 1. Purpose of Report

- 1.1 The appointment of the Chief Executive and Head of Paid Service is a Council decision.
- 1.2 Council considered the appointment of a shared chief executive as part of the report presented on 19 December 2022 but did not adopt it. As a result, the interim arrangements for the Chief Executive and Deputy Chief Executive, entered into in June 2022, were extended from the end of December 2022 until the end of February 2023.
- 1.3 It is now necessary for Council to determine the arrangements for the Head of Paid Service and Chief Executive with effect from 1 March 2023.

# 2. Background

- 2.1 Following the retirement of the previous permanent Chief Executive on 28 February 2022, a review of the current Chief Executive model was undertaken and alternative options presented to Council. At the council meeting in February 2022, it was decided to explore the alternative options for the senior management of the organisation with a further report to be provided.
- 2.2 In June 2022 Council agreed its preferred approach was the recruitment of a Chief Executive shared with another local authority. Council delegated the assessment of potential strategic partners to the Leader and Interim Chief Executive in accordance with the criteria identified in the report with a report to be provided to Council on possible options.
- 2.3 In December 2022 Council received a recommendation to enter into a Strategic Partnership with Melton Borough Council and appoint a shared chief executive but this recommendation was not adopted by Council. Council instead extended the interim arrangements for the posts of Chief Executive and Deputy Chief Executive until February 2023 to allow time for further options to be presented back to Council.

# 3. Details

- 3.1 The current arrangements, as stated above, expire at the end of February 2023. Of the five members of the Corporate Management Team (“CMT”), there are currently 4 interim appointments. Two of the 4 interim roles are filled by permanent employees undertaking additional roles and 2 are filled by interim staff members.
- 3.2 The number of interim appointments within the CMT is a significant risk to the stable management of the council. However, as there are local government elections in May 2023, it is proposed to continue these arrangements until after the election to allow the next administration to decide how it wishes to proceed with the appointment of a permanent Chief Executive. The Interim Chief Executive will monitor the risk and take action as necessary to mitigate it.
- 3.3 The Interim Chief Executive will be working with colleagues internally to develop options for the new administration so that as soon as practically possible after the election recruitment for these posts can be undertaken. When a new Leader of the council is appointed in May 2023 the Interim Chief Executive will meet with them to discuss the options and to proceed as directed by the Leader.

- 3.4 As the Head of Paid service, the Interim Chief Executive will ensure that the resources needed to deliver council services are available, supported by appropriate structures and recruitment. Councillors will be informed of the structural proposals and will form part of any recruitment process, but the structure of the roles remains the responsibility of the Head of Paid Service.
- 3.5 Councillors will recall that the recruitment of a permanent Chief Executive can be a lengthy process of up to six months, with the start date of the selected candidate potentially being delayed further due to the length of notice period of the incoming Chief Executive. To prevent the destabilising effect of, and increased risk posed by, repeated short term extensions of the most senior officer of the council, it is recommended that the interim arrangements are confirmed until either 31 December 2023 or the commencement date of a new Chief Executive, whichever is earlier.
- 3.6 To support the Interim Chief Executive, it is considered appropriate that the role of Deputy Chief Executive should also be filled on a similar basis. At present, this role is currently being fulfilled by the Director of Resources, in addition to his substantive role.
- 3.7 Mrs Elliott has agreed to continue in the role of Interim Chief Executive until 31 December 2023 or the earlier commencement of a new permanent Chief Executive. However, she has requested that the terms and conditions of her appointment have a local variation.
- 3.8 In her substantive role as Deputy Chief Executive Mrs Elliott is under Joint Negotiating Committees (JNC) terms and conditions of employment. In the 2022/23 pay award for staff on National Joint Council (NJC) terms and conditions, which applies to all other staff in the council, an additional one day annual leave was agreed nationally to take effect from 1st April 2023. JNC staff were not awarded an extra day leave.
- 3.9 Harborough Council staff historically have all received the same annual leave entitlement, regardless of grade, unlike some other districts and boroughs. Therefore, it is considered fair and appropriate for Mrs Elliott to continue to receive the annual leave she would have been entitled to had she remained in her substantive post of Deputy Chief Executive. The council has discussed this request with its recognised trade union, Unison, who have agreed to the request for a local variation to ensure that all staff receive one additional day of annual leave with effect from 1st April 2023.

## **4. Implications of Decisions**

### **Corporate Priorities**

- 4.1 As the Chief Executive has overall responsibility for the delivery of all services this report has implications for whole content of the Corporate Plan and priorities.

### **Financial**

- 4.2 The proposed final budget for 2023/24 has taken account of potential savings from the restructure of the management team. If the management team structure remains the same these savings would potentially not be achieved, and further savings proposals would be needed to compensate for this undeliverable proposal. The additional cost for interim arrangement has been provided for in the budget also but the longer the arrangements continue the more expensive the cost of the management team becomes.

## **Legal**

- 4.3 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 decision must be taken by Council. The legislation confirms that the Head of Paid Service can hold the statutory role of Chief Finance Officer but cannot hold the position of Monitoring Officer however it is proposed that each role within the council continue to be performed by different individuals.

## **Policy**

- 4.4 The policies relating to recruitment and selection have been followed. In future recruitment of the management team members will be included in the selection process as set out in the constitution.

## **Environmental Implications including contributions to achieving a net zero carbon Council by 2030**

- 4.5 None directly arising from this report.

## **Risk Management**

- 4.6 Periods of change and transformation can be unsettling for the organisation and affect delivery of services.
- 4.7 There will be a continued period where no permanent Chief Executive Officer (CEO) is in post whilst the options for recruitment are considered. There must however be an employee designated as the Head of Paid Service for the council.
- 4.8 Interim management arrangements pose a greater risk to the council, or any organisation, than permanent appointments. The capacity and knowledge of the CMT can be maintained through interim appointments but can adversely impact its ability to develop strategies and teams over the longer term. It is considered vital to the continued success of the council that the CMT provide a stable platform to transform the organisation and make improvements to both internal processes and services delivered to customers.

## **Equalities Impact**

- 4.9 Equalities are assessed as part of on going recruitment policies and procedures. There are none directly resulting from this report as it is a continuation of a current arrangement.

## **Data Protection**

- 4.10 There are no data protection implications arising from this report. All information on salaries and terms and conditions are available publicly either through the council's pay policy statement or as disclosed in the council's accounts.

## **Summary of Consultation and Outcome**

- 4.11 Discussions with current post holders on the potential extension of their current interim contracts has been undertaken.
- 4.12 Discussions with the Leader of the council and the Leader of the opposition have been undertaken by the current Interim Chief Executive.
- 4.13 Discussions with Unison have been undertaken by the HR Manager.

## **5. Alternative Options Considered**

- 5.1 Alternative options available to the council include recruiting an Interim Chief Executive from an agency on a short fixed term contract. However, this option has not be explored further as it offers no advantages to the extension of the current arrangements, and in fact may prove more expensive to the council given the constrained supply of suitable candidates for the role.
- 5.2 The option of utilising a shared chief executive to cover the recruitment period has been discounted as a consequence of the strong views expressed by Council at its meeting in December 2022 when rejecting a permanent shared Chief Executive.
- 5.3 Given that there is a statutory requirement to appoint a Head of Paid Service, and a need for an officer to lead the council as it delivers vital public services to the people of the Harborough District, it is not considered realistic to not appoint an interim Chief Executive.

## **6. Background papers**

*Cabinet and council decisions relating to the pursuit of a strategic partnership*

*Previous council reports June 2022 and December 2022*