

APPOINTMENT OF JOINT CHIEF EXECUTIVE

Relevant Portfolio Holder	Councillor Roger Hollingworth
Portfolio Holder Consulted	Yes
Relevant Head of Service	Kevin Dicks, Chief Executive
Ward(s) Affected	All
Ward Councillor(s) Consulted	N/A
Key Decision / Non-Key Decision	Non-key

1. SUMMARY OF PROPOSALS

- 1.1 To seek approval to include the post of Chief Executive in the Joint Management Team arrangements between Bromsgrove District and Redditch Borough Council.

2. RECOMMENDATIONS

It is recommended that:

- 2.1 Members note the current position with regard to the Joint Chief Executive arrangements between Bromsgrove District and Redditch Borough Council;
- 2.2 Members agree whether or not to proceed to implementation of a shared Joint Chief Executive in line with the wider Shared Management Team arrangements;
- 2.3 If the Council agrees to proceed to the implementation of a shared joint Chief Executive, it confirms that the annual salary for the post is £122,500 - £127,500;
- 2.4 Authority is delegated to the Head of Legal Equalities and Democratic Services in consultation with the Leader to finalise the employment arrangements.

3. BACKGROUND

- 3.1 Bromsgrove District Council and Redditch Borough Council have now been operating with a shared Chief Executive since 2008 (formally since 2009) and in 2010 both Councils also agreed to the introduction of a Shared Management Team.
- 3.2 Members will also recall that these shared arrangements have enabled the Council to meet Government expectations of efficiency savings, whilst continuing to maintain the services that both Councils deliver to their communities. The shared Chief Executive and Management Team realise over £300k savings per year for the Council. It is clear that without these changes to the way in which we support

service delivery the Council would have been unable to sustain the quality and level of service delivery in such austere times.

- 3.3 The shared Chief Executive and Management Team developed a clear plan and strategy in light of the financial and operation pressures that were being faced by Local Government. This resulted in an extension of the Redditch and Bromsgrove shared service arrangements across the majority of services with additional savings to Bromsgrove District Council of £600k per year. The severity of financial cuts that have been levied on Local Government over the last 2 years and the impact of the recent financial settlement to 2014/15 have been managed by both Councils with no detriment to front line services. This has been achieved as a consequence of the shared arrangements between Bromsgrove District and Redditch Borough, the foresight with which this was approached has placed the Councils in far sounder financial positions than many other Authorities who are now looking to introduce shared arrangements to meet significant budget gaps.
- 3.4 Members will recall that the Chief Executive is an employee of Bromsgrove District Council and that Redditch Borough have benefited through the shared arrangements by way of a secondment.
- 3.5 The secondment agreement required that the arrangement be reviewed in March 2013 with the view to determining whether or not it should continue.
- 3.6 As members will appreciate, the arrangements have been formally monitored by the Leaders of both Authorities at regular intervals throughout the period of the secondment to ensure that the joint arrangements continue to meet the needs of both organisations and to ensure that the priorities for each Council are being achieved. This arrangement will continue.
- 3.7 As detailed in paragraph 3.2 above, the Shared Chief Executive and Management team arrangements saved the Council over £300k per year. The continuation of a shared Chief Executive would continue to offer savings to Bromsgrove in the region of £55k per year.
- 3.8 The Chief Executive post salary grading has been assessed by officers of West Midlands Councils advice service using the HAY Job Evaluation Scheme which has been widely utilised for senior management posts in Local Government for a number of years. There is a consistent approach to assess know how, problem solving and accountability to reflect the roles and responsibilities for each post. The salary attached to the Joint Chief Executive post is also used as the basis to determine the salaries of the remainder of the management team.
- 3.9 Members are being asked to consider the making the secondment permanent in line with the wider management team arrangements.
- 3.10 As Members are aware the employee successfully undertook a formal assessment process to secure the secondment position and has fulfilled formal Annual Performance Development Reviews and regular reviews with the Leaders

at both Authorities. In accordance with the service agreement both Authorities have regularly assessed the extent to which the arrangements meet the organisational needs.

- 3.11 It is therefore proposed, based on the ongoing assessment of the employee's suitability for the role, that the employee be redeployed and formally appointed to the position of permanent Shared Chief Executive and Head of Paid Services for both Councils.
- 3.12 Bromsgrove District Council would continue to be the employing authority and existing target setting and appraisal mechanisms will be further developed to ensure the postholder meets the needs of each Council within the context of the joint management arrangements.

4. KEY ISSUES

Financial Implications

- 4.1 Over the last 4 years, since the shared Chief Executive arrangements were introduced the Council has realised over £200k in savings from this post. In addition the extension of the shared management team has delivered a further £1million. This has supported the Councils financial position over the last 4 years and has enabled front line services to be protected despite the significant financial constraints and pressures that have been seen by Local Government. Members are aware that the funding available will not improve in future years.
- 4.2 The Shared Chief Executive and Management Team have driven the shared service programme across the 2 Councils and more recently introduced systems thinking transformational service reviews to the Councils. This is delivering improved services to our residents whilst realising further savings to meet financial pressures. The opportunities that are available to the Councils within a shared and joint arrangement are far greater than as a single structure with reduced resource and funding.
- 4.3 Should the current employee not be appointed there would be a risk of significant financial cost associated with a claim for unfair/constructive dismissal. In addition if Bromsgrove District Council chose to appoint a separate Chief Executive there would be an estimated annual cost of £55k per annum which would have to be met from savings within services provided.

Legal Implications

- 4.4 The creation of a permanent Shared Chief Executive post would result in the deletion of the Chief Executives posts at Redditch Borough Council and Bromsgrove District Council.

- 4.5 The Council is bound by the Local Authorities (Standing Orders) Regulations 1993 and the Local Authority (Standing orders) (England) Regulations 2001 when making an appointment to the post of Chief Executive
- 4.6 The substantive post as Chief Executive for Bromsgrove District Council, would by definition be redundant. The Employment Rights Act 1996 (ERA) states that the employer must provide suitable alternative employment to employees at risk of redundancy.
- 4.7 The permanent Shared Chief Executive post would be identified as suitable alternative employment for the currently seconded Bromsgrove Chief Executive. There are no implications for any other employees.
- 4.8 Should the employee not be appointed there would be a significant risk of challenge of unfair/constructive dismissal against the employing Authority if the employer was unable to demonstrate that it had carefully considered the opportunity for suitable alternative employment and identified reasonable justifiable ground why redeployment should not apply. The existing agreement provides that both Councils share any such liabilities on an equal basis.

Service / Operational Implications

- 4.10 The proposals will enable the Council to continue to make ongoing revenue savings whilst maintaining the current level of management support and direction.

Customer / Equalities and Diversity Implications

- 4.11 Under its recruitment policies the Council would usually advertise the permanent position and carry out a recruitment exercise. As explained at paragraph 4.5 above, the Council is being advised to pursue a different route on this occasion for sound employment reasons.

5. RISK MANAGEMENT

- 5.1 If the Council decides to make the position permanent, the process and risks involved are as set out in paragraphs 4.5 – 4.7 above.

6. APPENDICES

None.

7. BACKGROUND PAPERS

Reports to Council 30th June 2008 (minute no. 22/08) and 29th July 2009 (minute no. 28/09).

8. KEY

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