

EAST HERTS COUNCIL

COUNCIL - 21 SEPTEMBER 2005

REPORT BY THE LEADER OF THE COUNCIL

RESTRUCTURING OF THE SENIOR MANAGEMENT TEAM

WARD(S) AFFECTED: None

RECOMMENDATION – that

- (A) consultation on the management structure at Executive Director level is undertaken by the Leader of the Council as a matter of urgency; and
- (B) the Leader makes a decision on interim arrangements to cover the responsibilities of the Executive Director and Head of Paid Service in consultation with the Chairman of Human Resources Sub-Committee and Leader of the Opposition.

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1.0 Purpose/Summary of Report

1.1 To advise Council of a proposed review of the Executive Director Management Structure and arrangements for the interim period.

2.0 Contribution to the Council's Corporate Objectives

2.1 The review of the senior management structure contributes to the Council's corporate priority: improving the health and sustainability of the organisation.

3.0 Background

3.1 The new structure of three Executive Directors was agreed in February 2002 when the post of Chief Executive was deleted. The new structure came into effect in October 2002.

3.2 The post of Executive Director (Resources) was deleted in May 2004.

3.3 Following Reports to Council in May and July this year, it was agreed to continue with the existing management arrangements of two Executive Directors. However, the details of these arrangements were not finalised with proposals concerning terms, conditions, roles, responsibilities and salaries to come before Council by December of this year.

3.4 During this interim period, the 12-month appointments of the Executive Director (Head of Paid Service) and Executive Director (Returning Officer) were extended.

#### 4.0 Current Situation

4.1 On 29 July 2005, the Executive Director (Head of Paid Service) gave notice to the authority of her intention to leave the Council's employment to take up promotion to a new post with Essex County Council.

4.2 The terms and conditions of appointment state a three-month notice period so the Executive Director will finish her service with the authority on 30 October 2005.

4.3 This imminent vacancy provides an opportunity for the Council to revisit its management arrangements. It would not be prudent to seek to replace the current postholder with a similar role without taking stock of the strengths and weaknesses of current arrangements.

4.4 Therefore, it is proposed that the Leader will undertake consultation with Members and senior staff about the right structure to lead the organisation, in partnership with Members, ensuring the significant progress achieved over the last three years is maintained.

4.5 The options for the consultation will include:

- Maintain the structure of two Executive Directors
- Return to a Chief Executive model – including various options which may retain Executive Directors or a Deputy Chief Executive or neither.

4.6 The consultation will take place over the coming weeks with a report on final proposals to Council in October.

4.7 This process means that, including recruitment time, the authority will have a vacancy in a critical management position for at least six months. It is therefore proposed that interim arrangements are made to cover the post from 31 October 2005 to 30 April 2006.

4.8 Current options for covering the post on this basis are being investigated. It is proposed that the Leader will make a decision based on advice from Human Resources and in consultation with the Chair of Human Resources Sub-Committee and the Leader of the Opposition.

#### 5.0 Consultation

5.1 As proposed at 4.4 above.

## 6.0 Legal Implications

- 6.1 Under the Local Government and Housing Act 1989 the Head of Paid Service must be an officer of the Council. This would normally mean an employee. It could be a Director excluding the Monitoring Officer.

## 7.0 Financial Implications

- 7.1 Any interim arrangements will be funded from within existing salary budgets – primarily the vacancy of the substantive post of Executive Director (Head of Paid Service).

## 8.0 Human Resource Implications

- 8.1 Interim arrangements to be considered will include the temporary acting up of a Director and the external recruitment of an interim manager. There will be recruitment and selection and contractual issues to be determined depending on the option decided upon.

## 9.0 Risk Management Implications

- 9.1 The Leadership of East Herts Council is critical to the delivery of services and effective performance. It is important that the vacancy does not create instability in the organisation. The fluidity of management arrangements for over three years also suggests it is a critical period for the Council to seize at this time, to ensure the decisions made in October provide a sustainable and efficient management structure into the future.

## Background Papers

Council Report: Restructuring of the Senior Management Team – 18 May 2005

Minutes of Council – May 2005 and July 2005

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