

EAST HERTS COUNCIL

COUNCIL - 2 NOVEMBER 2005

REPORT BY THE LEADER OF THE COUNCIL

12. RESTRUCTURING THE SENIOR MANAGEMENT TEAM

WARDS AFFECTED: All

'D' RECOMMENDATION – that (A) the appointment of an interim manager to the post of Executive Director (Head of Paid Service) be noted and consideration be given to accepting the restructuring proposals set out in the report; and

(B) subject to the restructuring proposal being agreed;

(1) the Executive Director posts be deleted;

(2) the post of Chief Executive be created which shall include the function of Head of Paid Service and Returning Officer;

(3) the existing Director posts remain unchanged, pending a review of the Director structure by the Chief Executive;

(4) the Director of Corporate Governance be appointed as Head of Paid Service pending the appointment of the Chief Executive; and

(5) the Head of Legal be appointed as the Monitoring Officer pending the appointment of the Chief Executive.

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1.0 Purpose/Summary of Report

1.1 To report on the Council's Executive Director management structure and to propose revised arrangements for the future management of the Council.

2.0 Contribution to the Council's Corporate Objectives

2.1 The review of the senior management structure was instigated on 21 September 2005 and contributes to the Council's corporate priority 7 – improving the health and sustainability of the organisation.

### 3.0 Background

3.1 At its meeting on 21 September 2005 the Council resolved that consultation on the management structure at Executive Director level be undertaken by the Leader of the Council and in particular that, as a matter of urgency, a decision on interim arrangements to cover the responsibilities of the Executive Director (Head of Paid Service), be made by the Leader, in consultation with the Chairman of the Human Resources Sub-Committee and the Leader of the Opposition. This Report covers both of those objectives.

### 4.0 Current situation

4.1 The Council had agreed that the Executive Director (Head of Paid Service) would continue to be designated Head of Paid Service and the Executive Director (Returning Officer) would be designated Returning officer for a temporary period.

4.2 The present arrangements have now been in place for about 18 months.

4.3 The existing structure was put in place to introduce a team approach to corporate management of the organisation, blending a range of experience and professional expertise rather than express that in one specialist role of a Chief Executive. It was recognised at the time that the Council faced a number "change management" issues to achieve the Executive's ambition to become an excellent authority. Members also wished to move away from a departmental silo approach to a greater integration of operation and a more positive joint approach to the delivery of services

4.4 With the Executive Director (Head of Paid Service) having secured a promotion and with her having resigned from her current post with effect from 31 October 2005 there is now an opportunity to consider the best executive structure for the Council going forward bearing in mind the overall objective of becoming an excellent authority encompassing integrated decision making and a truly team orientated approach to service delivery. The Executive Director (Returning Officer) remains in post and her position and future must be considered in the overall context of these proposals.

### 5.0 Proposed Structure

5.1 The additional capacity introduced at senior management level through increased investment has brought about a rapid

development of the organisation. The next phase of advancing those changes and ensuring service improvements through strategic planning and integrated processes may be best achieved under a revised senior management structure. It is proposed that the existing Executive Director posts should be deleted and replaced by a single post of Chief Executive. The existing and proposed structures are shown in Appendix 'A12' (pages 161 - 162).

5.2 The salary would be evaluated by an external consultant once the terms and conditions and responsibilities had been finalised.

5.3 Government guidance issued for the Local Government Act 2000 states that:

“ a local authority operating executive arrangements should have a professional Chief Executive (who should be the statutory Head of Paid Service) responsible for securing and managing the professional body of staff needed to deliver modern, effective, well focused services.

The core roles of the Chief Executive should be:

- Overall corporate management and operational responsibility (including overall management responsibility for staff)
- The provision of professional advice to all parties in the decision making process
- Together with the Monitoring Officer, responsibility for a system of record keeping of all of the local authority's decisions
- Representing the local authority in partnership and external bodies.”

Members are required to have regard to the statutory guidance. If the Council wishes to depart from the advice, it may do so provided it has sound reasons for the decision.

5.4 Members, the Executive Directors, Directors and other members of staff have been consulted on the new proposals. The Leader has carried out the following:-

- A meeting with three representatives of Unison
- Two focus groups of staff below Heads of Service level (14 at each, one in Bishop's Stortford and one in Hertford)
- A meeting with the Leader of the Liberal Democrats
- Responses from the Directors, individually

- Responses from Heads of Service, individually
- Responses from other Members

The consensus throughout was that now was an opportune time to return to a model headed by a Chief Executive with a clear steer for the management of the organisation and the strength of relationship with the Leader, clearly defined.

5.5 The Council needs to appoint an officer as the Head of Paid Service. It is proposed that the Director of Corporate Governance be appointed to as Head of Paid Service. If the Director of Corporate Governance is appointed to the role of Head of Paid Service, he cannot be the Monitoring Officer as well (Local Government and Housing Act 1989). Therefore another officer should be appointed as Monitoring Officer. It is proposed that the Head of Legal be appointed as the Monitoring Officer.

#### 6.0 Legal Implications

6.1 All legal matters are covered in the report.

#### 7.0 Financial Implications

7.1 There are no financial implications directly from the report. Any revised structure and subsequent appointments may have financial effects that will be reported at the appropriate time.

#### 8.0 Human Resource Implications

8.1 The remaining Executive Director will be at risk of redundancy if these proposals are adopted. A process, including full consultation, proper selection and consideration of alternative employment, all undertaken within the existing legal framework and good HR practice must be undertaken.

#### 9.0 Risk Management Implications

9.1 A management structure must function effectively to ensure performance of services is not only maintained but improved.

#### 10.0 Conclusion

10.1 The Council is requested to consider the proposals in this report.

Background Papers

Minutes of Council  
Government guidance

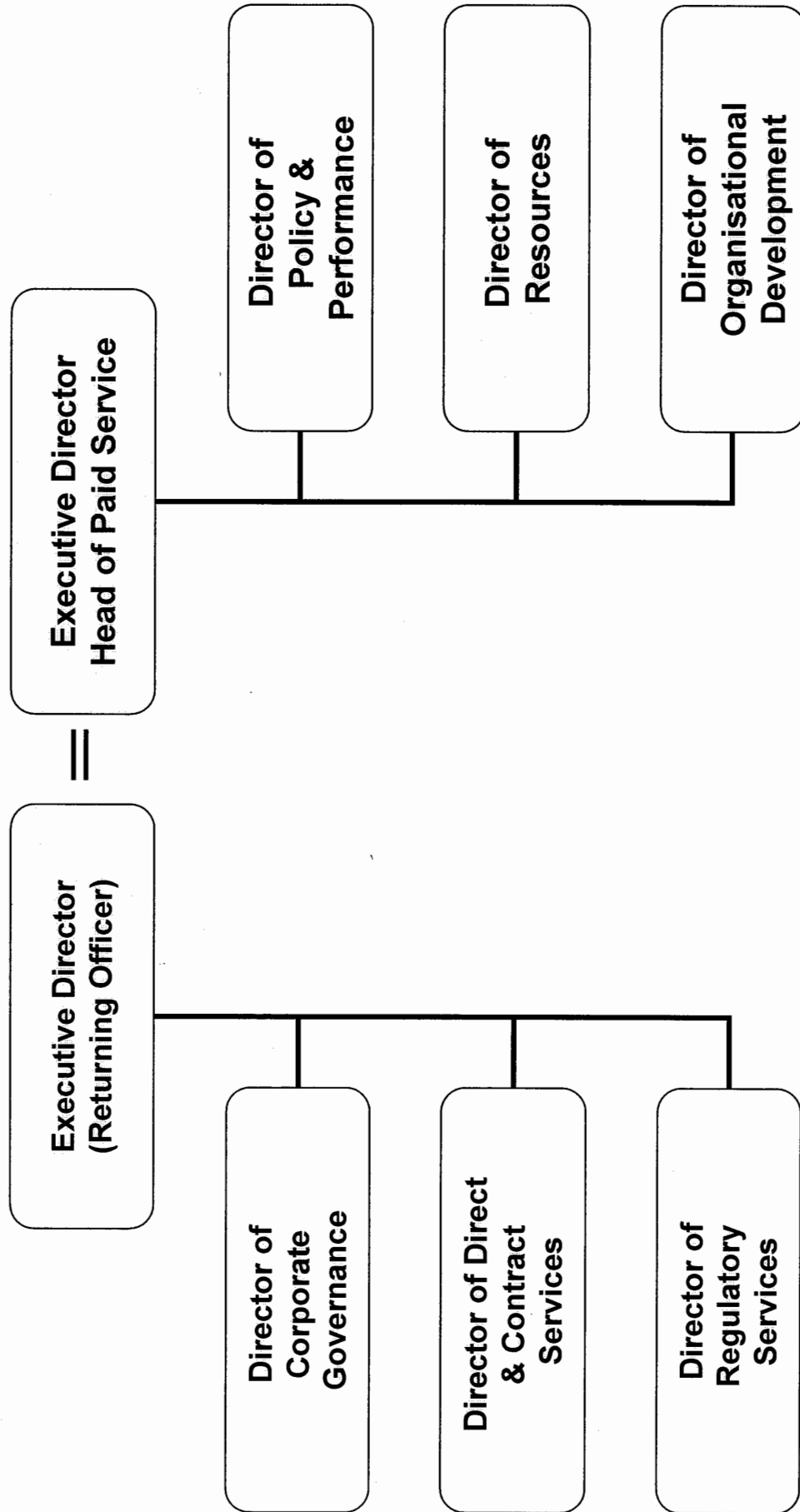
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*Appendix A*

**East Herts Council**

**Current Senior Management Structure**



APPENDIX 'A12'

**East Herts Council  
Proposed Senior Management Structure**

