

EAST HERTS COUNCIL

LOCAL JOINT PANEL – 28 FEBRUARY 2012

REPORT BY SECRETARY TO THE STAFF SIDE

TERMINATION OF CONTRACT BY THE CHIEF EXECUTIVE –  
QUESTIONS AND LESSONS

---

WARD(S) AFFECTED:     None

---

**Purpose/Summary of Report**

- To consider the issues and questions concerning the process leading up to the Chief Executive's departure and what may follow to secure the long term leadership of the Council's 340 Officers.

**RECOMMENDATION FOR LOCAL JOINT PANEL:**

(A)	That, in the interests of transparency, the next meeting of the Local Joint Panel be provided with a financial breakdown of all costs incurred as a result of restructures since 2001 including those associated with voluntary redundancy; and
(B)	the Staff Side be invited to participate in future appointments for senior management positions.

1.0 Background

1.1 Although the Chief Executive had been absent from work since August 2011, her employment was terminated within a few days of rumours appearing in the press. No information was given about the reasons for her departure as the statement simply said the process was by mutual agreement. In this report, the staff side wish to raise some issues and questions about the event and what may follow to secure the long term leadership of the Council's 340 officers.

## 2.0 Report

- 2.1 Ms Freimanis commenced as Chief Executive (CE) in June 2006 and was recruited in response to the collapse of the previous senior management configuration of three executive directors which according to the Leader, has also been the model for the interim arrangement since last August when the CE began her absence. Unison noted that no communication on the interim management or on Ms Freimanis's absence appeared until December last year. Rumour of her departure first appeared in the Mercury web edition on 13/12/11 – well before a memo was released to staff.
- 2.2 Employees at no time were explicitly told that their Chief Executive was ill and no mention of an illness was in the official statement. We know that there had been some considerable media interest in Ms Freimanis's absence well before December and the lack of internal communication lead to noticeable speculation and confusion among staff.
- 2.3 During the Team Brief that took place in Charringtons House, two days before the statement was issued, a question was asked regarding the CE's absence and the impact it would have on the management restructure should she not return. This was an opportunity for the directors to inform the staff of the situation, instead the director concerned refused to talk about this. Further examples of misdirection or evasiveness in answering questions posed by Unison could be considered to be examples of a lack of transparency and accountability at the core of the organisation.
- 2.4 The staff are also concerned that the 'tradition' of large pay offs of senior executives would govern this departure recognising these settlements in the current context can mean loss of jobs. Inevitably the obvious conclusion of the Leader's statement about the CE's service of over 5 years is 'damning by terse praise'.

The staff side consider the following issues and questions need addressing:-

- Although it is by no means clear, it is a concern that someone appears to have had their employment ended abruptly when they are ill;

- The staff side do not understand the phrase “by mutual agreement” as applied to the Chief Executive’s contract of employment. There has to be an initiator and a responder and it is a concern if the initiator is the Council and the responder is a sick employee;
- There was an exceptionally strict information blackout both on the cause of Ms Freimanis’s absence and the de facto interim top management responsibilities which lead to confusion and speculation among the staff. While it goes without saying that details of a person’s illness is confidential, there was freedom to inform staff of the fact of a sickness and the rearranged management duties;
- It is very unclear what HR policies were used to deal with both the position of Ms Freimanis’s absence and the termination of her employment. It is surprising that no attempts were made to assist her back to work through a capability action;
- The staff side can see no merit in delaying publishing the details of the payments under the agreement that the Council is legally obliged to publish in the 2011 – 2012 Annual Reports and Accounts. The Secretary of State (DCLG) has emphasised the need to inform voters of such settlements to gain the confidence of the community in the Council’s management of its finances.
- Ms Freimanis was granted a flexible retirement to part time package which involved the Council making payments totalling almost £100,000. Many staff felt that the CE in ‘retiring’ at 50 was abusing a human Council procedure designed to help people near retirement age easing into a post employment state. Mitigating this was the potential for the Council to recover its costs if the individual left and it is the view of the staff side leaving by “mutual agreement” means the agreement is applicable to all and must be enforced.

#### 4.0 Future Senior Management of East Herts:

- 4.1 There has been an absence of clear leadership at the top for several years and consequently relationships with staff have deteriorated. Staff have felt for some time that they are not part of a corporate “Team”. The changes to terms and conditions were unwelcome in any circumstance, but the failure of senior management to demonstrate that things were not fixed for them greatly exacerbated the difficulties. The issues concerning the

loss of subsidised cars by Heads of Service before the scheme terminated or the rush by the Chief Executive to retire early at 50 before the rules changes suggest crude values and poor governance.

- 4.2 The staff side do not support the top management of the Council by a sharing arrangement between two or three directors as exemplified in the past and the fact that there is no evidence to suggest that this arrangement would work successfully in the future. Staff are worn down by the continuing re-structures since 2001. Since that time the Council has incurred substantial costs in maintaining a workable top management structure and in the interests of transparency, the Staff Side request that the next meeting of the Local Joint Panel be provided with a financial breakdown of these costs of restructures including those associated with voluntary retirements, since 2001. The current remaining Corporate Management Team would not present a continuity of management and one has already declared their imminent retirement.
- 4.3 The Staff Side also has strong reservations about sharing Chief Executives as many past cases are unravelling as we discuss (e.g. Brentwood – Essex is a case in point). It is intriguing how an authority can declare at a stroke, the top job to be part time when incumbents in conventional posts frequently work long hours.
- 4.4 The Staff Side favour the full time single accountability model of the Chief Executive post, although it is appropriate for this post to have a range of responsibilities relating to policy and strategy.
- 4.5 The Staff Side feel that the Council gained nothing to have paid an exceptionally high salary to a candidate who had no experience in the role as a Chief Executive. We would expect the salary to be determined in relation to current circumstances and implied guidance from the government along the lines of pay restraint for senior managers.
- 5.0 Implications/Consultations
- 5.1 The staff side urge the Council to prioritise people skills in the experience and qualities of the next Chief Executive and to complement this, the Council, should resume the annual staff attitude surveys which were abandoned in 2009, possibly because the results were embarrassing to the Council.

5.2 The staff side is not part of the appointments panel but we believe it would be of mutual benefit if we had a role in the process. It would help if we could meet the shortlisted candidates and express our views to the Panel before they make their decision.

Background Papers: None

Contact Member: Brenda Dodkins: Secretary to the Staff Side  
UNISON