

<b>NAME OF COMMITTEE</b>	<b>EXECUTIVE</b>
<b>DATE</b>	<b>23 OCTOBER 2014</b>
<b>REPORT TITLE</b>	<b>EXECUTIVE DIRECTOR RECRUITMENT AND INTERIM SENIOR MANAGEMENT ARRANGEMENTS</b>
<b>Report of</b>	<b>LEADER OF THE COUNCIL</b>
<b>WARDS AFFECTED</b>	<b>ALL</b>

**Summary of report:**

To consider a report that sets out the timetable for recruitment of the Executive Director (Strategy & Commissioning) and Head of Paid Service post and suggests interim senior officer arrangements to maintain progress of the T18 Transformation Programme. The report is judged to be urgent business brought forward at the discretion of the Chairman of the Executive to ensure that both permanent and interim senior management arrangements can be progressed as quickly as possible in the interests of the organisation.

**Financial implications:**

There is a cost of up to £23,000 arising from the suggested interim arrangements, subject to the suggestions set out in this report continuing until the end of June 2015. Assuming this sum is shared on a 50/50 basis, the cost for each Council is £11,500. This additional cost needs to be assessed against the current risks for the Programme and the potential delay to achieving future ongoing revenue savings.

**RECOMMENDATION:**

**That the Executive RESOLVES to delegate authority to the HR Community of Practice Lead, in consultation with the Leader and Deputy Leader, to agree the detailed arrangements in relation to Executive Director and Group Manager recruitment, as well as the interim senior management proposals.**

**Member contact:**

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## **1. BACKGROUND**

- 1.1 On 19 June 2014 Council agreed a report which established the future senior management structure, the recruitment process, salary scales and the timetable for implementing the changes, as a further step to implementing the next phase of the T18 Transformation Programme.
- 1.2 Members will be aware that the Member Selection Panel was unable to recommend appointments to both Executive Director posts following the recruitment process in September 2014. These circumstances create a significant challenge for the T18 Transformation Programme and there is a need to manage the strategic risk to the Councils ensuring the Programme's momentum is maintained.
- 1.3 Discussions have taken place between the elected leadership of the two Councils to ensure that there is sufficient knowledge and capacity available to support the delivery of the Programme during the transition phase pending completion of the senior management recruitment process.
- 1.4 At the Council meeting on 2 October 2014, it was agreed to delegate authority to the Executive to agree interim senior officer arrangements, including any associated costs, to maintain progress of the current Transformation Programme (Minute 36/14 refers).

## **2. ISSUES FOR CONSIDERATION**

- 2.1 The Leaders of the two Councils have explored an appropriate hand over period from the existing interim Executive Director leading the Transformation Programme, Tracy Winser, to the two new permanent Executive Directors. In addition there are discussions with the current interim Executive Director (Communities), Alan Robinson, remaining with the Councils in his current role until a future appointment is made to the new Executive Director and Head of Paid Service post. Sophie Hosking will start in her role as Executive Director (Service Delivery & Commercial Development) at the beginning of January 2015.
- 2.2 In the new structure the unfilled Head of Paid Service post is responsible for driving T18, working in tandem with Sophie Hosking's role which is primarily responsible for delivering services in the new way and driving income generation. The two new Executive Director roles are different to the current interim roles held by Alan Robinson and Tracy Winser.
- 2.3 The Executive Director (Strategy & Commissioning) and Head of Paid Service role will be re-advertised at the end of October 2014 and could be in post by March 2015. The proposed recruitment timetable is as follows:
- |   |                  |
|---|------------------|
| National advertisement                    | 30 October 2014  |
| Short listing of candidates               | 14 November 2014 |
| Assessments/meet Members of both Councils | 24 November 2014 |
| Formal interviews                         | 25 November 2014 |
- 2.4 Alan Robinson is due to leave the Councils on 30 November 2014 and Tracy Winser on 24 December 2014.

- 2.5 It is suggested that the Council retains approximately two full time equivalent Executive Director posts during the interim period by:
- 2.5.1 Extending Tracy Winser's notice from January 2015 until the go live period of Phase 1b (anticipated to be June 2015) for three days per week, subject to review by the newly appointed Executive Director (Strategy & Commissioning) and Head of Paid Service once in post having had the opportunity to review the organisational capacity to ensure the Programme is kept on track. This arrangement provides flexibility to both Councils and the newly appointed Executive Directors about the transition timescale;
  - 2.5.2 Initially extending Alan Robinson's notice period until 31 December 2014 under current working arrangements. Subsequently it is proposed to further extend Alan Robinson's notice from January 2015 for three days per week on a rolling monthly arrangement, pending the appointment of the new Executive Director (Strategy & Commissioning) and Head of Paid Service, or an alternative interim arrangement is established;
  - 2.5.3 During the proposed interim arrangements Tracy Winser will retain the strategic lead for delivery of the T18 programme with the remainder of her role passing to Sophie Hosking, while Alan Robinson will continue as Head of Paid Service again transferring aspects of his role to Sophie Hosking.
  - 2.5.4 Extending Tracy Winser and Alan Robinson's notice period until the new Executive Director (Strategy & Commissioning) and Head of Paid Service is in post will increase the current cost of the interim Executive Director arrangements by the equivalent of one day per week at a cost of approximately £7,000 (January 2015 up to March 2015) creating 2.2 FTEs of Executive Director capacity;
  - 2.5.6 The additional cost of Tracy Winser's extended notice period from April 2015 up to June 2015 at three days per week to continue to lead the Programme during a period of major organisational change will be approximately £16,000 creating 2.6 FTEs of Executive Director capacity;
  - 2.5.7 These costs will be reduced if the two new Executive Directors conclude that there is sufficient organisational capacity available that enables early termination of the interim arrangements.
- 2.6 In summary, combined Executive Director capacity will increase for one day per week from January to March 2015 and by three days per week from April to June 2015. If the transition was in place until June, the total additional cost of maintaining the pace and focus on the T18 Programme, while also securing an effective handover to the two new post holders, is £23,000 (ie, £11,500 for each Council).
- 2.7 It should be noted that discussions about the interim arrangements are ongoing and that West Devon Borough Council has not yet considered the suggestions set out in this report.

- 2.8 For Members' information, it is proposed to nationally advertise the Group Manager posts in parallel with the Executive Director post. Appointments are likely to take place in early December 2014. However it is recommended that only 3 of the initially envisaged 4 Group Manager posts are recruited at this stage, pending further work on organisational design relating to the Strategy and Commissioning side of the model. The three senior management posts to be recruited sit on the Service Delivery and Commercial Development side of the model.

### **3. LEGAL IMPLICATIONS AND STATUTORY POWERS**

- 3.1 The Constitution sets out that the Council is responsible for appointing the Chief Executive or Head of Paid Service. The appointment of staff below this position is the responsibility of the Head of Paid Service. As the Council has adopted an Executive Director model with one Director responsible for Strategy and Commissioning who is also designated Head of Paid Service, and one Director responsible for Service Delivery and Commercial Development, it has previously been agreed that the Director posts will be appointed by a Member Panel. It has also been previously that the Member Panel sits in on the appointment of Service Leads/Group Managers as advisors however the final decision on recruitment will reside with the relevant Director, in this case Sophie Hoskins.
- 3.2 The terms and conditions of employment and any redeployment and/or redundancy consequences that arise from senior management recruitment will continue to follow the Council's policy and procedures. Members have previously concluded that open competition is appropriate for all SMT posts given the different skill sets needed in the new model.

### **4. FINANCIAL IMPLICATIONS**

- 4.1 The cost of increasing combined Executive Director capacity from January to March 2015 by one day per week will be £7,000. The cost of increasing capacity from April to June 2015 by three days per week will be £16,000.
- 4.2 It is proposed to finance this cost from the Strategic Issues Reserve. While this proposal does involve additional cost, it is worth noting that the decision to not fill the Chief Executive post following the previous post holder's retirement, delivered early savings for the T18 Transformation Programme.
- 4.3 The proposed interim arrangements have yet to be finalised. The detailed arrangements will be designed to protect the interests of the two Councils as well as the existing Executive Directors, who will experience a salary reduction as a result of the suggested interim proposals. It is therefore recommended to delegate authority to the HR Community of Practice Lead, in consultation with the Leader and Deputy Leader, to agree the detailed arrangements.
- 4.4 The financial consequences of the senior management recruitment will be reflected in future updates of the T18 Business Plan.

### **5. RISK MANAGEMENT**

- 5.1 The Risk Management implications are shown at the end of this report in the Strategic Risks Template.

## 6. OTHER CONSIDERATIONS

<b>Corporate priorities engaged:</b>	All
<b>Considerations of equality and human rights:</b>	None directly arising from this report
<b>Biodiversity considerations:</b>	None directly arising from this report
<b>Sustainability considerations:</b>	None directly arising from this report
<b>Crime and disorder implications:</b>	None directly arising from this report
<b>Background papers:</b>	Reports to Council - 19 June 2014 and 2 October 2014
<b>Appendices attached:</b>	None

## STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Delay in resolving the appointment of Executive Directors and establishing appropriate interim arrangements	Ongoing uncertainty regarding senior management arrangements may lead to delays in the T18 Programme. The recruitment process to date has resulted in an increase in severance costs than was initially anticipated	4	4	16	↑	<p>Rigorous selection process with Member Panel and professional support from IESE ensures that suitable candidates are recommended</p> <p>Increased costs will be modelled in future updates of the T18 business case. However, it is anticipated that this will be balanced by greater savings arising from implementation of the model than envisaged in the initial business case</p>	<p>Lead Members</p> <p>Lead Members/ Executive Directors</p>
2	Introduction of an Executive Director Model	That it fails to deliver sufficient senior management capacity needed to ensure success of the T18 model during the interim period	5	2	10	↔	Design sufficient transition capacity into the senior management structure to enable the introduction of the new operating model	Council
3	Robustness of the appointment process and interim arrangements	That it fails to deliver appropriate senior management capability needed to ensure success of the T18 model	5	2	10	↔	<p>An open recruitment process provides the widest field to select from, given that different skill sets will be needed in the new model</p> <p>Any current SMT member who is not successful in the recruitment process may be prepared to provide transitional capacity to support the delivery of the T18 Programme if required</p>	Member Selection Panel

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
4	Implications of ongoing external competition recruitment process	Could lead to significant redundancy costs and actuarial pension strain costs	3	1-5	3-15	↔	<p>Take a balanced view on achieving an appropriate senior management team and the potential impact on the payback period anticipated within the initial business plan</p> <p>Lead Members have taken a range of advice and on balance have concluded that it is in the wider interest of both Councils to have open competition for all SMT posts given the different skill sets needed in the new model</p>	Member Selection Panel/ Executive Directors
5	Implications of external competition recruitment process	Potential loss of knowledge, continuity and experience within the senior management team	2-5	1-5	2-25	↔	<p>The Member Panel, or the subsequently appointed Executive Directors, to take a balanced view at interview, assessing the quality of existing members of the senior management team against the quality of external candidates. The impact and chance of a negative outcome and therefore the risk score, will depend on the scale of change within the senior management team and the quality and number of new appointments that arise from the recruitment process</p>	Member Selection Panel/ Executive Directors

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
6	Implications of external competition recruitment process	Timescale could be at risk if external appointments are made and they need time “to find their feet” and understand the new model	2-5	1-5	2-25	↔	<p>The Member Panel, or the subsequently appointed Executive Directors, to take a balanced view at interview, assessing the quality of existing members of the senior management team against the quality of external candidates. The impact and chance of a negative outcome and therefore the risk score, will depend on the scale of change within the senior management team and the quality and number of new appointments that arise from the recruitment process</p> <p>Any current SMT member who is not successful in the recruitment process may be prepared to provide transitional capacity to support the delivery of the T18 Programme if required</p>	Member Selection Panel/ Executive Directors
7	Delay in implementing this aspect of T18	Ongoing deferral of SMT recruitment may lead to delays in other elements of the Programme	4	2	8	↔	<p>Commission external support for Members as required to ensure that change is delivered in line with the timetable and that key issues are communicated to the wider membership</p>	Lead Members