

Council – 21<sup>st</sup> May 2007

## PROPOSED ARRANGEMENTS FOR AN INTERIM CHIEF EXECUTIVE

### Report of the Member Working Group

**Statutory Powers:** - Local Government Act 1972

**Financial Implications:** - Recommendations in the report and based on initial discussions, would result in a provisional payment of £4,825 per month in secondment fees. This figure would be offset however against the total employer costs (including employer on costs) associated with the Post. The net result would be a potential saving to the Council of provisionally £4,175 per month, subject to any other backfilling arrangements that may be required as detailed in the report.

**Purpose of the report:** -

To advise Council of the progressed made by the Member Working Group and to include a recommendation as to the preferred arrangements for an interim Chief Executive in accordance with the powers delegated to the Group by Council on the 29 March 2007.

## RECOMMENDATIONS

That the Council **RESOLVES** that:

- i. The recommendation of the Member Working Group for the Council to adopt a Shared Chief Executive, be supported and that David Incoll, currently Chief Executive of West Devon Borough Council, be confirmed as Interim Chief Executive and Head of Paid Service for this Council;
- ii. The terms of the interim arrangement to take the form of a secondment of David Incoll to this Council on the terms detailed in the Appendix to this Report;
- iii. The interim arrangements to run for an initial period of nine months from the 4<sup>th</sup> June 2007;
- iv. A Joint Monitoring and Review Group be established with West Devon Borough Council to oversee the arrangement. The Group's membership and terms of reference to be in accordance with Paragraphs 11 and 12 of this Report;
- v. The Strategic Director (Resources) be appointed as Electoral Registration and Electoral Returning Officer for the duration of the arrangement;

## Progress

1. The Member Working Group has made substantial progress with the task set by the Council meeting of the 29<sup>th</sup> March (Min. 96/06). The following identifies the work undertaken against the Groups Terms of Reference.
2. An option appraisal has been conducted against the remaining four options identified in the earlier report (Option 1 The Do Nothing option had already been discounted by Council). The assessment confirmed that the Group should concentrate its efforts in undertaking a detailed analysis of Option 4 (Contract Chief Executive) and Option 5 (Shared Chief Executive) as identified in the 29<sup>th</sup> March report but that it should not discount Options 2 and 3 (internal arrangements involving SMT), should Options 4 and 5 prove to be undeliverable.
3. The Working Group developed a specification and identified a number of operational matters that would need to be discussed with interested parties. This process was important to ensure that Options 4 and 5, although offering different solutions, could be properly compared and assessed. Fundamental to a successful outcome was the wish that the preferred Option should provide the Council with the best arrangements to cover the interim period whilst not prejudicing any future arrangement for the longer term.
4. In view of the importance of the process and the need for transparency it was decided to seek independent external assistance from the regional office of the Improvement and Development Agency (IDeA). The Group is grateful to colleagues at IDeA for their assistance with developing the brief, facilitating the discussions and brokering the details of the Option now being recommended to Council.
5. The Group held confidential discussions with the Chief Executives and the Leaders of Teignbridge and West Devon Councils and, in a separate exercise, the Group met with two Contract Chief Executives referred by Agency organisations (these were chosen from a list of 10 nominees). In accordance with the Terms of Reference, these meetings were of an exploratory nature and were not designed to commit the Council to any particular course of action.
6. The Group also considered related issues arising out of an interim arrangement such as the allocation of some additional duties to SMT, any need for back filling and the possibility of engaging specialist assistance to help with one or more of the Council's current major work projects.

## **Recommendations of the Member Working Group**

7. Following very careful consideration of the opportunities and key issues involved, the Group came to a unanimous decision to recommend to Council that a shared Chief Executive approach be adopted for the interim and for this arrangement to be with David Incoll and West Devon Borough Council.

## **Reasons for West Devon being the preferred recommendation**

8. In coming to this recommendation the Member Group focussed on the 29<sup>th</sup> March report to Council and in particular paragraphs 6 to 8 which identified both the current major projects in progress and also future challenges to the Council. In summary these were seen as emanating from the White Paper, Comprehensive Spending Review and possible changes to Local Government structures. Any preferred Option had to ensure that the Council continued to move forward in the current direction and at the current pace.
9. In summary the Group felt that the existing and historic working relationships with West Devon (e.g. Objective 2, Devon Renaissance and Housing matters), the close alignment of the two Councils' key priorities and, on a personal level, David Incoll's own understanding of the South Hams (both of the district and the Council) would offer the best solution for any interim arrangement.

## **Details of the Proposal**

10. Details of the proposal were developed jointly with the assistance of IDeA and the heads of terms are contained in the Appendix. If Council accepts these arrangements, David Incoll, the current Chief Executive of West Devon Borough Council, would be seconded to the role of Interim Chief Executive and Head of Paid Service for South Hams Council on a shared basis from the 4<sup>th</sup> June 2007.

## **Monitoring and Review**

11. It is suggested that the interim arrangements be formally reviewed at three months and six months of operation. It is further suggested that because of the shared nature of the arrangements this role should be undertaken jointly with West Devon. The Joint Monitoring and Review Group should comprise Members from each Authority with the proposed representation from this Council being drawn from the Member Working Group. The terms of reference of the Group could be revised as follows:-
  - a) To undertake the three-month and six-month reviews of the arrangements against the stipulated Key objectives;

- b) To report to Council following each review with an assessment of how the arrangements are working;
- c) Deal as far as it is possible with any areas of dispute or conflict of interest in accordance with the terms of the secondment arrangement;
- d) To act as a conduit for any individual Member concerns that may arise during the duration of the shared arrangement;
- e) Undertake a formal review towards the end of the 9 month interim period to assess the suitability for any further extension and to recommend this or any alternative arrangements as may be appropriate;

### **Backfill and other provision**

- 12. In view of the shared nature of the Chief Executive appointment it will probably be necessary for Directors to pick up some responsibility for the outgoing Chief Executive's functions. This will have implications on the operation of the statutory officers' roles (Monitoring Officer and Section 151 Officer) and may have knock-on consequences among Heads of Service. It is recommended that should they prove necessary, any costs arising should be funded from the remaining part of the Chief Executive's salary budget and that such arrangements be agreed by the South Hams Members of the Joint Monitoring and Review group on the recommendation of David Incoll.

### **Appointment of an Electoral Registration and an Electoral Returning Officer**

- 13. This is an administrative requirement to meet the Council's statutory responsibilities. The predictable workload during the interim arrangement will largely be undertaken by the Elections Administrator. However should a significant by-election or a Parliamentary election occur, it would be necessary to have a Returning Officer already in place. The Working Group have considered the various options for the Council on this matter. It would be unfeasible for this to be undertaken within the shared role and it is recommended that for the period of the interim arrangement the role of the Electoral Registration and of the Electoral Returning Officer be filled by Mark Seymour, Strategic Director (Resources).

## Risk Assessment

14. The subject matter of the report is of high importance to the Council however the risks associated with the report are mitigated by the fact that the recommendation is for a limited period only.

Risk	Mitigating Action
Shared Arrangement not able to meet Member needs and expectations	<ul style="list-style-type: none"> <li>i. Clarity established at the beginning of the arrangement;</li> <li>ii. Periodic reviews to assess how it is working;</li> </ul>
Cultural differences between the two Councils could cause problems	<ul style="list-style-type: none"> <li>i. The two Councils are similar in their culture, have a common set of priorities and their locations share a strong rural identity</li> </ul>
The arrangement fails to keep the Council moving forward at the current pace	<ul style="list-style-type: none"> <li>i. Periodic review of arrangements to gauge continued effectiveness;</li> <li>ii. Development of SMT to enable them to step up to cover additional work;</li> <li>iii. Back filling or additional specialist support to be considered if required;</li> </ul>
Potential for a conflict of interest	<ul style="list-style-type: none"> <li>i. Clarity established at beginning of arrangements;</li> <li>ii. Agreed procedure to deal with any conflict of interest that may arise;</li> <li>iii. Periodic reviews;</li> </ul>
Either fetters or adversely impacts on a future decision about a permanent Chief Executive	<ul style="list-style-type: none"> <li>i. The arrangement is clearly interim and for a specific period of time;</li> <li>ii. Council retains full control over any future permanent arrangement for a Chief Executive;</li> </ul>
Reduced effectiveness of the Council to influence any future changes in the Local Government landscape	<ul style="list-style-type: none"> <li>i. Arrangement offers a "joint voice" which could offer greater influence and could more effectively advocate both Council's positions;</li> </ul>

## Conclusion

15. The recommendation of the Member Group provides the Council with an excellent opportunity to test the concept of a shared Chief Executive arrangement. Much can be learnt over the next nine months which will provide invaluable experience for Members to draw upon when the

Council comes to consider what arrangement it wishes to have in place for the longer term.

16. Finally the Group wishes to acknowledge the help and support of IDeA in enabling this recommendation to be brought before Council.

**Member Working Group**

**Annual Council  
21<sup>st</sup> May 2007**