

Special Council – 24 January 2008**POST OF CHIEF EXECUTIVE****Report of the Member Group**

Statutory Powers: Local Government Act 1972

Financial Implications: During the two year period the Council will continue to pay West Devon Borough Council one half of the cost of employing their Chief Executive, together with an equal contribution to an honorarium.

Purpose of the report: To advise Council of the recommendation of the Member Group (Councillors Pannell, Saltern and Tucker) and to include a recommendation as to the preferred arrangements for a continuation of a shared Chief Executive by way of a fixed term contract for a period of two years with effect from 1 February 2008.

RECOMMENDATION**That the Council RESOLVES that:**

- (i) the recommendation of the Member Group for the Council to continue a shared Chief Executive arrangement be supported and that David Incoll be confirmed as Chief Executive and Head of Paid Service for this Council for a period of two years with effect from 1 February 2008;
- (ii) the terms of the arrangement to take the form of a secondment of David Incoll to this Council on the terms currently operating;
- (iii) 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 paragraph 11 of this report;
- (iv) the Strategic Director (Resources) be appointed as Electoral Registration and Electoral Returning Officer for the duration of this arrangement.

Background

1. In January 2007, the County Council, Devon Districts and other partners, in response to the Local Government White Paper, decided to inform Government of their support for improved two-tier working rather than making a Unitary or "pathfinder" bid. This Council and West Devon Borough Council have been leading players in progressing that approach.
2. In the light of the move towards joint working across Devon and the departure of the then Chief Executive of this Council in June 2007, the Chief Executive and Leader of West Devon Borough Council were invited, as were others, to meet our Member Working Group at South Hams to explore the option of an interim Chief Executive appointment. The option proposed by West Devon was selected as the preferred solution and both Authorities agreed in May 2007 to the appointment of David Incoll as Interim Chief Executive of this Council for a period of 9 months subject to regular reviews of his performance.

Discussions between South Hams and West Devon so far

3. Following the review of the arrangement at the 6 monthly review of David Incoll, the appointed Members agreed that the existing arrangement should be extended by the formal appointment of David Incoll to the role of Chief Executive of South Hams District Council for a period of 2 years from the week commencing 1 February 2008. West Devon Borough Council will be considering its position on 22 January 2008, at its Council meeting.
4. The idea of West Devon's Chief Executive acting in an interim capacity at South Hams whilst continuing as Chief Executive at West Devon was built initially on the experience of two District Councils in Sussex and a newly launched similar approach in Gloucestershire. Since then a number of Authorities have embarked upon similar arrangements and a Learning Set for Shared Chief Executives has been initiated by the IDEa, of which David is a member.
5. The report to Council in May identified both the current major projects in progress and also future challenges to both Councils from the White Paper, Comprehensive Spending Review and possible changes to Local Government structures. Since then, Local Government re-organisation in Devon has disappeared and reappeared. The possibility of the boundaries of the existing Unitary Councils in Devon being extended has increased the advantages of having a shared Chief Executive. Any preferred option had to ensure that the Council continued to move forward in the current direction and at the current pace.
6. Since the appointment of a shared Chief Executive, Members noted with approval the considerable advancement of shared services both with Teignbridge, through the establishment of the Joint Steering Group, and with West Devon, particularly in relation to Human Resources and Policy & Improvement and the widespread introduction of "Lean Efficiency Reviews".

Financial and Legal Implications

7. During the two year period, this Council will continue to pay to West Devon Borough Council one-half of the cost of employing their Chief Executive plus an equal contribution to an honorarium (customarily 10% of salary in these cases), the granting of which is usual in these arrangements.
8. Recommendation (iii) provides the opportunity for this to be recognised by the Council and to be evaluated against outcomes.
9. Legally, the Chief Executive of West Devon would have to have an employment contract with this Council in order to fulfil the legal requirements of the Head of Paid Service role. Such employment could be a simple contract, with a salary of £1 pa.

Benefits to the Two Councils of the Proposed Arrangement

10. The following benefits have accrued during the interim period:
 - a) provide the impetus both Councils need to increase their focus on shared services;
 - b) the two Councils would be demonstrating to the Government Office and Department of Communities & Local Government (DCLG) that they were tackling the challenges in the White Paper seriously by developing a radical new way of working. This has been recognised in inspection reports;

- c) prospects for delivering the efficiency savings both Councils need to balance their Medium Term Financial Plans would be much better;
- d) opportunities to share skills and best practice, fill gaps in expertise and improve capacity have presented themselves;
- e) the reputations of West Devon and South Hams have been enhanced;
- f) a proper business case for sharing management could be developed for both Councils to consider;
- g) cost savings by sharing the costs of employing a single Chief Executive;
- h) the arrangement would build on the current similarities of the two Councils, in terms of geography and community culture and thus result in a shared approach to new opportunities in areas of economic development, housing and inspection; all resulting in reduced costs;

and can be expected to continue and, indeed, grow if the present arrangement were to be extended.

Monitoring and Review

11. It is suggested that these arrangements be formally reviewed at appropriate intervals. 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 its existing membership. The terms of reference of the Group could be revised as follows:-
- a) to undertake periodic 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) to 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) to undertake a formal review towards the end of the 24 month period to assess the suitability for any further extension and to recommend this or any alternative arrangements as may be appropriate.

Appointment of an Electoral Registration and an Electoral Returning Officer

12. This is an administrative requirement to meet the Council's statutory responsibilities. The predictable workload during this arrangement will largely be undertaken by the Electoral Administrator. However should a significant by-election or a Parliamentary election occur, it would be necessary to have a Returning Officer already in place. It was previously declared unfeasible for this to be undertaken within the shared role and Council agreed 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). It is suggested that this arrangement should continue.

Risk Assessment

13. 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 existing arrangement has not resulted in any identifiable difficulties.

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

Councillors Pannell, Saltern and Tucker
Member Group

Council
24 January 2008