

Council Report

Ward(s) affected: All

Report of Joint Chief Executive

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Appointment of Joint Strategic Directors and a Section 151 Officer

Executive Summary

In July and August 2021, Guildford and Waverley Borough Councils considered options for collaboration and agreed to put in place governance arrangements for the partnership, and to create a Joint Management Team (JMT) comprising Chief Executive, Directors and Heads of Service. A Joint Appointments Committee (JAC) of three councillors from each council was established and in November 2021, both councils appointed Tom Horwood as the Joint Chief Executive. The next phase of the appointment process is being conducted in two stages, Directors and then Heads of Service. The JAC has carried out the first stage of the appointments and has completed a recruitment process to appoint three Joint Strategic Directors. The JAC's recommendation is within this report.

Although the JAC may undertake and determine all aspects of the process for the appointment of the Joint Directors on behalf of the councils, Local Government legislation (Section 40 of the Localism Act 2011) require that any new senior appointment with a salary package of £100,000 or more requires Full Council approval. In addition to this, any appointments to the statutory offices of Section 151 Officer or Monitoring Officer must be approved by the Full Councils of both authorities. Therefore, following the assessment process with candidates for the Joint Strategic Director roles the JAC, at its meeting held on 16 June 2022, has recommended the following appointments for confirmation at both Councils' meetings on 19 and 26 July 2022:

- (a) Ian Doyle
- (b) Dawn Hudd
- (c) Annie Righton

The full Council may only make or approve the appointment where no well-founded objection has been made by the Leader on behalf of the Executive in accordance with the provisions of Part II of Schedule 1 of the Local Authorities (Standing Orders) (England) Regulations 2001. The Leaders have confirmed that no such objection has been made.

Separate to the appointments process, Guildford Borough Council is required to appoint a Section 151 Officer (Chief Finance Officer), in the light of the imminent departure of the current Director of Resources on 31 July. While the next phase of the Joint Management Team progresses, it is proposed that an interim joint appointment is agreed with the current Section 151 Officer within Waverley Borough Council, Graeme Clark to take effect from 1 August 2022.

Recommendation to Council:

In the light of the decision of Guildford and Waverley Borough Councils to form a Joint Management Team, the Council is asked:

- (1) To make the appointments of the three Joint Strategic Directors as follows:
 - (a) Ian Doyle;
 - (b) Dawn Hudd;
 - (c) Annie Righton

- (2) To appoint Graeme Clark as Section 151 Officer from 1 August 2022.

Reasons for Recommendation:

- (1) To appoint permanent Joint Strategic Directors for Guildford and Waverley Borough Councils.
- (2) To appoint a Section 151 Officer as this is a statutory requirement.

Is the report (or part of it) exempt from publication? Yes, Appendices 1 and 2.

- (a) The content of Appendices 1 and 2 are to be treated as exempt from the Access to Information publication rules because the process for approval of the recommendations will involve the disclosure, or likely disclosure of personal information about the candidates and details of the affected employee's termination costs and is therefore exempt from publication by virtue of paragraphs 1 and 4 of Part 1 of Schedule 12A to the Local Government Act 1972 as follows:
 - (1) "Information relating to any individual".
 - (4) "Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matters arising between the authority or a Minister of the Crown and employees of, or officer-holders under, the authority."
- (b) The content is restricted to councillors.
- (c) It is not anticipated that the exempt information can be expected to be made available for public inspection.
- (d) The decision to maintain the exemption may be challenged by any person at the point at which the Council is invited to pass a resolution to exclude the public from the meeting to consider the exempt information.

1. Purpose of Report

- 1.1 In the light of the decision of Guildford and Waverley Borough Councils to form a Joint Management Team (JMT), the Joint Appointments Committee (JAC), at its meeting held on 16 June 2022, has recommended to both councils the formal appointment of three Joint Strategic Directors.
- 1.2 In July and August 2021, Guildford and Waverley Borough Councils both considered options for collaboration and agreed (a) to put in place governance arrangements for the partnership, and (b) to create a JMT comprising Chief Executive, Directors and Heads of Service. The JMT would then be tasked with bringing forward business cases for further collaboration. A JAC of three councillors from each council was established.
- 1.3 In November 2021, both councils appointed Tom Horwood as the Joint Chief Executive and he started in this role on 1 December 2021.
- 1.4 In February 2022, both councils agreed a shared target of £1.4m savings over the period 2022-2026, with £150,000 to be achieved for each council within the financial year 2022-23 (all figures compared with 2021-22 budgets).
- 1.5 In April 2022, both councils agreed the governance framework for the partnership, comprising (a) heads of terms for the inter-authority agreement and (b) a Joint Governance Committee of six councillors from each council to oversee the risk register and review periodically any changes to the inter-authority agreement. The councils agreed that Waverley BC will be the employing authority for the JMT.
- 1.6 With this mandate from the Councils, it is the responsibility of the Joint Chief Executive to put in place a senior management structure that will ensure that services are delivered, and financial savings targets achieved.
- 1.7 Every council must appoint the statutory roles of Head of Paid Service, Monitoring Officer, Section 151 Officer (i.e. chief financial officer as per Section 151 of the Local Government Act 1972), Electoral Registration Officer and Returning Officer. These are Full Council appointments. The Joint Chief Executive has been appointed Head of Paid Service, Electoral Registration Officer and Returning Officer. The creation of the JMT will necessitate Full Council approval for the roles of Monitoring Officer and Section 151 Officer once the selection process has concluded.
- 1.8 Although the terms of reference provide that the JAC may “undertake and determine on behalf of the councils, all aspects of the process for the appointment of Joint Directors”, statutory guidance issued by the Secretary of State under Section 40 of the Localism Act 2011, to which all councils must have regard requires that any new senior appointment with a salary package of £100,000 or more requires full Council approval.
- 1.9 The JMT appointment process is being conducted in two phases, Directors and then Heads of Service and the first phase has been completed. A new

JMT structure comprising of three Joint Strategic Directors and their proposed Heads of Service was consulted on with those employees in scope of the Joint Strategic Director roles, and this consultation period ended on 6 June. Expressions of interest for Joint Strategic Director roles were invited by 10 June and interviews were carried out by the JAC on 16 June. Subject to Full Council approval from both councils, the Joint Strategic Directors will be in post with effect from 1 August.

- 1.10 The Joint Chief Executive and Joint Strategic Directors have further developed the Head of Service structure and a formal consultation period, with employees in scope, on the Head of Service roles began on 27 June. In August and September, there will be an appointments process for the Head of Service roles. It is intended that these will be in post with effect from 1 October. If there are any Head of Service vacancies the external recruitment to these posts will commence in October.

2. Strategic Priorities

- 2.1 The Joint Strategic Directors will play a pivotal role in the delivery of Guildford and Waverley Borough Councils' aspirations set out in the respective Corporate Plan and Corporate Strategy. The appointments also reflect the next step in both councils' strategic aim of exploring shared opportunities with other local authorities for the benefit of local residents.

3. Background

JMT structure

- 3.1 The new JMT structure comprises of three Joint Strategic Directors and a number of Heads of Service. The Joint Strategic Director roles within the new JMT are Joint Strategic Director (Community Wellbeing), Joint Strategic Director (Place) and Joint Strategic Director (Transformation and Governance).

The appointments process

- 3.2 The Councils have recruited Joint Strategic Directors who will form part of the new JMT and the existing Director posts in both councils will be deleted during this process.
- 3.3 Consultation with the Directors ended on 6 June 2022 and the existing Directors were invited to express an interest in the roles by 10 June 2022. Claire Morris had resigned prior to the start of the consultation process to take up a senior role in another council and Graeme Clark chose not to apply for a Joint Strategic Director role. The roles had been ringfenced to the existing Directors to minimise the risk of redundancy and each candidate expressed their preferred choice of role.
- 3.4 The selection process consisted of the following steps:

- (a) Expression of interest and current copy of CV
- (b) Leadership Exercise
- (c) Presentation to the JAC and Joint Chief Executive followed by questions and answers
- (d) Competency based questions with the JAC and Joint Chief Executive

The JAC, supported by the Joint Chief Executive, assessed the applicants using the process above with interviews held on 16 June 2022.

- 3.5 The JAC recommended for appointment Ian Doyle as Joint Strategic Director (Transformation and Governance); Dawn Hudd as Joint Strategic Director (Place); and Annie Righton as Joint Strategic Director (Community Wellbeing).

4 Financial Implications

- 4.1 The savings associated with the appointment of the Joint Chief Executive were set out in the report to both Councils in July 2021. The report detailed that the annual full year budget savings to the Councils associated with the appointment of the Joint Chief Executive was £75,000 for Waverley and £90,000 for Guildford, totalling £165,000 across the two councils.

- 4.2 This report details the arrangements proposed for the Joint Strategic Director level of the JMT only and does not consider the Head of Service level at this stage. The table below sets out the overall budget implication of the current Director structure at each council and the proposed Joint Strategic Director structure for the collaboration:

	Full year budget, £000		
	Guildford	Waverley	Total
Current annual cost of Directors	460	293	754
Proposed annual cost of JMT directors	256	224	480
Proposed full year equivalent saving	-204	-70	-274

- 4.3 The above table excludes the one-off termination costs associated with the new Joint Strategic Director structure which are set out in Appendix 2 (exempt from publication). Part of the saving will be required for investment in Business Support capacity to enable the Joint Strategic Directors and the wider JMT to be effective in their roles. The costs of this are not yet determined while this is being reviewed. The overall target for each council of £150,000 in 2022-23 from the whole JMT is expected to be achieved.
- 4.4 The combined total annual budget savings for the Joint Chief Executive and the Joint Directors (excluding investment in business support) is £439,000. The annual budget saving is split £294,000 for Guildford and £145,000 for Waverley. As such the savings target required from the restructure to a JMT for the collaboration is expected to be achieved in full once the restructure of the Head of Service level is complete. Once the restructure for the Head of

Service level is complete, an analysis of the full savings between the general fund and the HRA for each council will be undertaken and reported.

- 4.5 Following benchmarking and external advice, the new Joint Director salary is £123,000 to be shared between the councils, from which the employee will pay tax, NI and pension contributions. Joint Directors will also be paid an allowance of £692.17 per annum for being part of the senior team emergency on-call rota for the Waverley area and Waverley services.

5. Legal Implications

- 5.1 The proposals in this report are compliant with the Council's Constitution and statute. The Inter Authority Agreement provides that each authority shares a proportion of any termination costs.

6. HR Implications

- 6.1 The partnership working arrangement between the two Councils has required the creation of a Joint Management Team through the restructuring of both Councils. Both Councils have fully consulted with Unison and the affected staff and responded to the feedback with measures including making changes to the proposed structure. Each Council has followed their respective policies and processes in relation to Redundancy, Restructuring, Pay and Early Termination of Employment (Discretionary Payments).

7. Equality and Diversity Implications

- 7.1 All public authorities are required by the Equality Act 2010 to specifically consider the likely impact of their policy, procedure or practice on certain groups in society.
- 7.2 It is our responsibility to ensure that our policies, procedures and service delivery do not discriminate, including indirectly, on any sector of society. Council policies, procedures and service delivery may have differential impacts on certain groups with protected characteristics, and these will be highlighted in the Equalities Impact Assessment (EqIA) screening. Likely differential impacts must be highlighted, and described, as some may be positive. Where likely significant adverse differential impacts are identified, consideration should be given to opportunities to reduce or mitigate this through a full equalities impact assessment.
- 7.3 An EqIA screening was carried out for the Joint Management Team restructuring activity. It was not considered necessary to carry out a full EqIA. As a result of assessment at this point, it is concluded that the restructuring activity will not have a negative impact on those with protected characteristics, neither does it reflect the potential for discrimination. The opportunity to foster greater equality and positive impacts for protected groups has been sought and incorporated within policies where appropriate. Accordingly, it is considered that the Council is acting in accordance with the public sector

equality duty contained in section 149 of the Equality Act 2010

8. Conclusion

- 8.1 The proposal seeks to gain Council agreement to appoint to the three Joint Strategic Director posts.
- 8.2 The proposal also seeks to appoint Graeme Clark as Section 151 Officer for Guildford Borough Council.

9. Appendices (exempt from publication)

Appendix 1: Summary of Joint Strategic Directors CVs
Appendix 2: Termination costs