

NON EXEMPT

HAVANT BOROUGH COUNCIL

COUNCIL

DATE 18th May 2022

Senior Management Restructure

Report by Interim Chief Executive as Interim
Head of Paid Service

FOR NOTING AND DECISION

Key Decision: No
Report Number: HBC/050/2022

1.0 Purpose of Report

- 1.1 For the Chief Executive to notify Council of a change to the senior management structure and update on progress to recruitment to the structure
- 1.2 To bring to the attention of Council the recommendation made by HR Committee upon 27th April 2022 regarding the appointment of the Interim Chief Legal Officer & Monitoring Officer
- 1.3 To set out a recommendation to Council for the designation of "s.151 Officer".

2.0 Recommendation

That:

- a) *To note the Chief Executive's report submitted in accordance with the statutory requirement placed upon the Chief Executive as Head of Paid Service is noted.*
- b) *In accordance with Section 5 of the Local Government and Housing Act 1989, Committee recommends to full Council that they appoint Mr Mark Watkins as Interim Chief Legal Officer & Monitoring Officer until such time as a permanent appointment has been made*
- c) *In accordance with Section 151 of the Local Government Act 1972, full Council designates Mr Malcolm Coe as interim s.151*

Officer until such time as a permanent appointment has been made.

3.0 Executive Summary

- 3.1 On 13 April 2022 the Chief Executive brought a report to Council on proposals for a senior management structure for consultation with staff.
- 3.2 Consultation began on 20 April following the Bank Holiday weekend and concluded on 28 April 2022. The Chief Executive engaged with senior managers across Havant Borough Council, the Budget Working Group and Unison to discuss the proposals. It is intended to bring a report to the Scrutiny Committee early in the new civic year.
- 3.3 In response to the proposals received during the consultation, the Chief Executive:
 - revised the structure; and
 - extended the period of consultation until 6 May to take further views from senior managers on the revised structure
- 3.4 No further comments were received and the consultation has now formally closed.
- 3.5 The Chief Executive is asking that Council notes the revised structure at Appendix 1 and the explanation for the revisions to the structure at Appendix 2.
- 3.6 The Chief Executive will now move to recruit to the senior management positions by conducting informal interviews with those senior officers who have expressed an interest in applying for one or more roles. Subject to the Chief Executive considering those applicants suitable, she will propose them for formal interview by the HR Committee.
- 3.7 Any vacant roles will be subject to external recruitment, which will commence immediately.

4.0 Background and relationship to Corporate Strategy and/or Business Plans

- 4.1 This structure meets the requirements of 'A responsive and commercial council'. The senior management structure is designed to meet the needs of the Corporate Strategy and provide a team to work with residents, businesses and the community groups to make resident demand led Council.

- 4.2 On 26th of January 2022 Havant Borough Council resolved “*To agree to withdraw from the Joint Management Team Agreement subject to a business case being reported to the next meeting of the Council exploring the risks, issues, benefits, and costs of the withdrawal...*”
- 4.3 At February Council, Members approved the outline business plan for the delivery of the preferred option as set out in the Options Appraisal and Business Case, within which is contained the Havant Borough Council Business Plan. Section 2 of that Plan deals with Leadership Capacity and Organisation Design and states: “*A key aspect of the preferred option of a standalone council is the desire to enhance leadership capacity to deliver corporate objectives. The Council has already appointed an Acting [now Interim] Chief Executive and.... more immediately, the Acting CEO will employ a temporary.... [sole] s.151 officer & Monitoring Officer as swiftly as possible to fulfil the Council’s statutory obligations.*”
- 4.4 As part of the proposed structure of the new Senior Management Team, the Interim Chief Executive as Head of Paid Service requires a Chief Finance Officer who will also undertake the statutory role of s.151 Officer and also a Chief Legal Officer who will also undertake the statutory role of Monitoring Officer.
- 4.5 The statutory roles of s.151 Officer and that of Monitoring Officer for Havant Borough Council have recently been vacated.
- 4.6 On 27th April 2022 Human Resources Committee sat and:
- 4.6.1 appointed Mr Malcolm Coe as Interim Chief Finance Officer; the statutory designation normally associated with that role being reserved to Council; and
- 4.6.2 recommended the appointment of Mr Mark Watkins as Monitoring Officer – see the Report attached at *Appendix 3* for detail.

5.0 Other Options considered

- 5.1 The Council has already made the decision to pursue a standalone council model. This standalone structure is within the budget available for the shared management structure. It therefore meets the requirements for a well-run, financially viable Council which is mindful of public funds.
- 5.2 Council could propose changes to the senior management structure and members are invited to make any comments in advance or during debate on the proposed structure. The Chief

Executive will take these into account and make any adjustments as required.

6.0 Implications

6.1 Budgetary and Resources:

6.1.1 Any interim posts will be met within existing budgets, including the designated financial reserve for transitional costs.

6.1.2 This structure is, potentially, a marginal increase on the budget for the shared management team. This structure therefore provides Havant Borough Council with a dedicated senior management team without increasing the financial burden of the Council.

6.1.3 The Council will incur recruitment costs in advertising and recruiting to these roles. Given the seniority of these roles, an external recruitment agency will be employed to assist with the recruitment.

6.1.4 As a term of the JMTA any recruitment costs incurred as a result of the exit from the JMTA will be shared with East Hampshire District Council.

Section 151 Officer comments

Date: 10 May 2022

- i. The proposed Management structure is affordable within the proportionate share of the Joint Management Team budget that Havant Borough Council is anticipating to receive.**
- ii. Depending on the starting salary of successful candidates, there could be a marginal overall cost increase which will need to be accounted for as further structures are developed across the council.**
- iii. Any one-off costs, such as advertisement and recruitment, will be charged against the HBC Transition Reserve with overall spend reported back through 2022/23 budget monitoring to Committee.**

6.2 Human Resources Implications

All Havant employees who were affected by these proposals have been consulted regarding the proposed changes to the structure. Of those employees who have been displaced by this structure, one has applied for voluntary redundancy, one has put

an expression of interest forward to be interviewed for two roles. One employee is a direct match for a role in the structure and is slotted into that role. A further expression of interest has been received from an employee at East Hampshire District Council.

6.3 Legal Implications:

6.4 The council will ensure that that employment procedures are followed as appropriate regarding any employment law issues arising from this report

6.5 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and appoint a S151 Officer for this purpose and to have responsibility for those arrangements.

6.6 It is a statutory requirement contained within s5 of the Local Government and Housing Act 1989 to appoint a monitoring officer

Monitoring Officer comments:

- i. **The Head of Paid Service is responsible for the corporate direction and management of the council and for allocating responsibility for service groupings to strategic executives.**
- ii. **Under sub-section 4(3) of the Local Government & Housing Act 1989 the Head of Paid Service may make proposals in relation to the manner in which the discharge of the council's functions is co-ordinated; the number and grades of staff required by the authority for this purpose together with the organisation of the authority's staff.**
- iii. **Any such proposals made by the Head of Paid Service must be reported to full Council for ratification at a meeting to be held not more than three months after the preparation of the report.**
- iv. **The matters contained within this report are therefore within the lawful authority of the Head of Paid Service**
- v. **Paragraph 1.1.19 of Part Two, Section B of the Constitution confirms that the designation of an officer as The Section 151 Officer and Monitoring Officer is reserved to full Council**
- vi. **As regards the hiring of Chief Officers, the Constitution also provides that any new appointments to these posts will need to be determined by HR Committee. This will be dealt with in accordance with the Council's normal recruitment processes as is appropriate.**

Date: 10th May 2022

7.0 Consultation & Communication

7.1 As set out earlier in this report

7.2 The wider organisation has been kept informed of these proposals through 'The Fountain', the fortnightly online newsletter led by the Chief Executive.

8.0 Appendices

Appendix 1: Revised senior management structure

Appendix 2: Reasons for the revisions to the structure

Appendix 3: HR Committee Report dated 27th Apr 22

Agreed and signed off by:

Monitoring Officer: Mark Watkins, 10 May 2022

Section 151 Officer: Malcolm Coe, 10 May 2022

Contact Officer: Kim Sawyer

Job Title: Interim Chief Executive

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