

**COUNCIL**

A meeting of the Council was held on Wednesday 17 November 2021.

**PRESENT:** Councillors J Hobson (Chair), L Garvey, R Arundale, A Bell (Vice-Chair), D Branson, C Cooke, B Cooper, D Coupe, D Davison, S Dean, C Dodds, T Furness, A Hellaoui, T Higgins, A High, S Hill, C Hobson, B Hubbard, N Hussain, L Lewis, L Mason, T Mawston, D McCabe, C McIntyre, M Nugent, J Platt, E Polano, G Purvis, J Rathmell, D Rooney, J Rostron, M Saunders, M Smiles, M Storey, J Thompson, Z Uddin, J Walker, G Wilson and C Wright

**OFFICERS:** C Benjamin, S Bonner, M Brown, B Carr, G Field, A. Glover, A Hoy, D Johnson, S Lightwing, A Pain, T Parkinson, A Perriman, S Reynolds, T Whitehead, K Whitmore and I Wright

**APOLOGIES FOR ABSENCE:** Councillors D Jones, J McTigue, A Preston (The Mayor), R Sands, P Storey and S Walker

21/70 **DECLARATIONS OF INTEREST**

There were no declarations of interest received at this point in the meeting.

21/71 **SENIOR MANAGEMENT ARRANGEMENTS**

The Director of Legal and Governance Services and the Director of Finance submitted a report in respect of senior management arrangements for Council's consideration. The purpose of the report was for Council to consider whether it wished to change the organisation's senior management arrangements.

Typically a report on senior management arrangements would be brought by the Chief Executive as the Head of Paid Service. However, in view of the potential for conflicts of interest, both the Elected Mayor and the Chief Executive had agreed that this report would be developed by the Director of Legal and Governance Services and the Director of Finance in their respective statutory roles of Monitoring Officer and Chief Finance Officer.

The Local Government Association had provided information on the content of the report including the alternative models.

The Director of Legal and Governance Services clarified that, if members chose to change the senior staff arrangements, it would automatically trigger the voluntary redundancy of the Chief Executive.

If Members opted to change the senior management arrangements, the two potential operating models included within the report for members to choose from, included the Chief Operating Officer model or the option for an Existing Director within the Council to become the Head of Paid Service, in addition to their existing role. The benefits and risks of each model were set out within the report.

Members were advised that if Council supported a change in senior management arrangements and designated an interim Head of Paid Service, the interim Head of Paid Service would provide a report to Council, no later than three months from their designation (the date of the report), setting out in detail the proposed senior management arrangements, including any constitutional changes required as determined by the Monitoring Officer.

The Council would also be required to designate an interim Electoral Registration Officer and Returning Officer, as there was a by-election scheduled for 16 December 2021. Given that the responsibility for elections fell within the remit of Legal and Governance Services, it was proposed that the Director of Legal and Governance Services be designated interim Returning Officer and interim Electoral Registration Officer.

The Director of Finance advised that both internal and external audit had been consulted with regard to the content of the report and their feedback and any financial implications for the

Council, had been included within the report.

The Director of Finance advised that there was an error at paragraph 59 of the report. The report stated that the Chief Executive contributed 12.5% of his salary to the Local Government Pension Scheme, however the actual figure was 11.8%.

The Director of Finance advised that where an employee chose to take voluntary redundancy, there was an automatic uplift to their redundancy payment of 25%. The additional cost of £22k, as a result of the uplift would be outweighed by the cost of £53,314, if the Chief Executive was subject to compulsory redundancy.

The Local Government Pension Scheme regulations required that an employee over the required age and with sufficient service who was made redundant would receive the early payment of their pension. The cost of the early payment of the pension fell to the Council and was estimated to be £420,000, and this was a contractual requirement. This sum would be reimbursed directly into the Teesside Pension Fund; it would not be a direct payment to the Chief Executive.

Paragraph 61 of the report indicated that if the Council chose to move to the Chief Operating Officer model, there would be a saving of £24,467 per annum.

If the Council chose to move to the Chief Operating Officer option and merged the Chief Executive role with an existing Director's post, the savings to the Council would be £187,368 per annum.

If the Council chose to delete the Chief Executive role completely and merge the Head of Paid Service role with an existing Director's post, the savings would be £196,437 per annum, which would include an uplift in salary of £26k for the Director who would take on the role of Head of Paid Service. A potential saving would also be available from a reduction of one Business Support Officer (PA) post, due to the reduction in the overall size of the Leadership Management Team.

The Director of Finance pointed out that none of the savings detailed in the report had been assumed in the Medium Term Financial Plan, so how the savings would be utilised would be a matter for discussion by members.

The Chair invited members to comment on the report. The Chair reminded all members that this was a business meeting of the Council and he requested that members focus their questions and comments on the content and the recommendations contained within the report. He requested that members avoid making any personal comments in relation to any individual mentioned within the report.

The following points were raised during the ensuing discussion of the report:

- Labour group leader indicated that the group would vote in favour of retaining existing senior management arrangements.
- A strong leader was essential, and the Chief Executive role had served the Council well in challenging times.
- Retaining the role of Chief Executive ensured that there was a clear line of accountability, which was essential, particularly while the Council was being monitored by Ofsted.
- The negatives listed at paragraph 26 of the report would not have been relevant in relation to previous Mayors of the Council.
- A strong Chief Executive was essential where there was a strong Mayor in office.
- The Corporate Affairs and Audit Committee had considered a report in relation to issues that had occurred at Liverpool City Council, and for that reason, it was essential not to weaken the role of the Chief Executive.
- Both of the alternative management models would provide the Chief Executive/Head of Paid Service with less reach and authority.
- It would cost the Council money to replace the Chief Executive and the Council would be much weaker if the role of Chief Executive did not exist.

- Challenge was essential and the removal of the role of Chief Executive could potentially make the Council unstable.
- All organisations should review their senior management arrangements from time to time.
- The Chief Executive, the Local Government Association and Senior Officers had all been involved in discussions about the report.
- The Council had a strong strategic leader who worked well with partner organisations.
- The Council had the opportunity of realising £200k in savings.
- The cost of the redundancy payment was astronomical when taking into account that the Council was considering a rise in Council Tax.
- The report could be deferred to a later date as the Government was considering imposing a cap on redundancy payments.
- Reference to meetings that had taken place with the Local Government Association were included within the committee report however there was no appendices to the report in relation to minutes of the meetings that had taken place.
- Risk of silo working within the management team.
- If Council lost its strategic focus it would be bad for the town.
- Need confidence in leadership of the Council.
- Comparison with Leicester was not appropriate because of the difference in size and political arrangements of the two Councils.
- Portfolios were too big for one person to manage.
- The anticipated savings were not guaranteed.
- The Council was only 18 months away from local elections and any decision made in relation to senior management arrangements could be reversed.
- Would have been better to discuss the issue with political groups before bringing the report to Council, which would have saved officer time in preparing the report.
- Any decision to adjourn the meeting would cost more in officer time.
- Current Chief Executive kept staff at all levels informed.
- The Council had employed four different Chief Executives over a relatively short space of time and the current arrangements offered stability.
- Without the Chief Executive post, the Council would not be as efficient.
- It would be a retrograde step without a Chief Executive as there needed to be a barrier between the Mayor and the Chief Executive.
- Revised arrangements would place an unnecessary burden on the Director of Adult Social Care and Health Integration.
- Concerns regarding what the savings would be used for.
- Overload of responsibilities in the portfolios.
- If the Chief Executive role was taken away, the Council would lose a means of carrying out checks and balances.
- The savings were all hypothetical as the role could be brought back at a later date.
- The amount for voluntary redundancy which included the 25% increase was excessive.
- Appreciated the role of the Chief Executive, in particular the handling by the current Chief Executive of issues during the Covid pandemic.
- Would support current senior management arrangements, could not support half a million redundancy package.
- Report was more about an issue between the Mayor and current Chief Executive.
- Report did not detail who would make decision whether the new model was working. The Monitoring Officer advised that it would be Council who made the decision with regard to whether the new model was appropriate.
- Would have been better to discuss with Group Leaders before producing the

report for Council.

- Need to look at the situation from an economic aspect rather than a political aspect.
- Opportunity to make savings.
- Good existing directors who could take on Chief Executive role.
- Opportunity to save tax payers money.
- Query re checks that the Chief Executive could make on the Mayor. The Monitoring Officer explained the role of the three Statutory Officers (the Chief Executive, the Monitoring Officer and the Section 151 Officer), in the decision making process.
- Financial savings should not be main focus of the report.
- Need to focus on the governance of the Council and support existing arrangements.
- Focus should be on vision for the town.

During the discussion a motion to defer the report until the Government produced guidance on capping redundancy payments was proposed. The motion was not seconded.

Prior to the vote being taken, the Monitoring Officer explained that the first item that members would be voting on was whether they wished to change the organisation's senior management arrangements. If Members voted against changing the existing management arrangements, then the remainder of the recommendations would no longer be relevant, and as a consequence, they would not require a vote.

The Monitoring Officer conducted a vote on whether the Council wished to change the existing senior management arrangements, specifically in relation to the role of Chief Executive.

Following a vote, it was **ORDERED** as follows:

That the existing senior management arrangements, specifically in relation to the role of the Chief Executive, be retained.