

# TONBRIDGE & MALLING BOROUGH COUNCIL

## COUNCIL

17 February 2011

### Report of Leader of the Council and Chief Executive

#### Part 1- Public

#### Matters For Decision

#### **1 A PROPOSAL FOR A SHARED CHIEF EXECUTIVE WITH GRAVESHAM BOROUGH COUNCIL**

**An opportunity arose towards the end of 2010 to enter into an arrangement with Gravesham Borough Council to share a Chief Executive. The purpose of this report is to outline the proposal to the Council and seek its authority for its implementation.**

#### **1.1 Introduction**

1.1.1 As Members will be very aware, the Council, in common with most if not all authorities, is facing the most serious financial challenges since its formation. In these circumstances it is right that the Council should consider all options for reducing costs in order to protect its frontline services.

1.1.2 There are now a considerable number of authorities that have entered into arrangements whereby they share a single Chief Executive and in some cases a single Management Team. Of course there are also many examples of sharing arrangements involving service managers and this Council has entered into a number of these with other Councils, including Sevenoaks and Gravesham.

#### **1.2 Sharing Opportunity**

1.2.1 Towards the end of 2010 we became aware of an opportunity to build on the existing arrangements with Gravesham as its current Chief Executive, Glyn Thompson, is to retire at the end of July this year.

1.2.2 Following initial discussions with the Leader of Gravesham and informal consultation with all Members of this Council, it was concluded that there was a willingness to consider entering into an arrangement whereby this Council's Chief Executive, David Hughes, became a shared resource with Gravesham with each Council meeting 50% of the salary and overhead costs. The particular benefits for the two Councils can be summarised thus:

- Given Mr Thompson's retirement there would be no redundancy costs involved in establishing the arrangement;
- Mr Hughes has indicated his intention to retire in 2013 thus there is an opportunity to test how well the arrangement works for a period of two years at the end of which the two Councils can decide whether they wish to continue with a shared arrangement or each appoint their own replacement Chief Executive;
- During this two year period both Councils would make worthwhile savings that can be used to support the delivery of frontline services;
- Mr Hughes' retirement in 2013 offers a nil cost exit strategy if the Councils decide not to continue the sharing arrangement;
- A shared Chief Executive will facilitate the development of further sharing arrangements to generate greater efficiencies and savings for both authorities.

1.2.3 The proposal would operate by Tonbridge & Malling continuing to be the employing authority of the joint Chief Executive. Gravesham would enter into an agreement with Tonbridge & Malling for David Hughes to be a shared Chief Executive with Gravesham Borough Council with 50% of his time being spent at that Council. His salary and associated on costs would be apportioned equally between the two Councils. A separate Part 2 report from the Director of Finance and Central Services Director on this agenda considers the application of the Council's 'partnership supplement' policy to this proposal.

1.2.4 It has been agreed with Gravesham that, subject to both Councils confirming they wish to enter into the arrangement, Mr Hughes will spend 8 days at Gravesham between the local elections and the end of July as part of a handover arrangement. Gravesham will fully reimburse this Council for the cost of those days of our Chief Executive's time.

### **1.3 Legal Implications**

1.3.1 Section 113 of the Local Government Act 1972 allows the Borough Council, as host employer, to place staff (including the Head of Paid Service) at the disposal of another local authority. A legal agreement will be entered into to set out the terms of the joint working arrangement.

### **1.4 Financial and Value for Money Considerations**

1.4.1 The current salary 'package' associated with the post of Chief Executive consists of a salary of £108,489 and a yearly lease car benefit of £5,067. Standard oncosts for employer's superannuation, national insurance and training (using the Council's standard convention for costing posts) make the total cost of the post some £151,527.

1.4.2 As mentioned at paragraph 1.2.3, there is a separate Part 2 report from the Central Services Director and Director of Finance regarding the potential application of a partnership supplement. At this point it is inappropriate to speculate by how much, if any, this will affect the overall cost of the post. However, it is reasonable to suggest that with an arrangement to split the costs of the post equally between the two Councils, there is potential for this Council to save, based on existing budgets, in the order of £68k - £72k in a full financial year. (These potential savings are calculated using the Council's standard convention for the 'inclusive' costing of posts, and are subject to final agreement with Gravesham Borough Council).

## **1.5 Risk Assessment**

1.5.1 There are no substantive financial risks emanating from the proposed arrangement. There will be some reduction in senior management capacity but this will be mitigated to some degree if other measures being recommended elsewhere on the agenda are adopted and by an increased level of delegation to other officers by the Chief Executive whilst maintaining oversight and responsibility.

## **1.6 Equality Impact Assessment**

1.6.1 See 'Screening for equality impacts' table at end of report

## **1.7 Policy Considerations**

1.7.1 Human Resources

## **1.8 Conclusions and Recommendations**

1.8.1 We are of the opinion that this is an opportunity that should be taken forward. It provides this Council with the chance to assess whether a shared Chief Executive arrangement operates satisfactorily and has the potential to facilitate further sharing arrangements with Gravesham leading to further savings.

1.8.2 Accordingly we **RECOMMEND** that:

- 1) the Council gives its approval for a formal agreement with Gravesham Borough Council to share this Council's Chief Executive from 1 August 2011; and
- 2) the Chief Executive, Director of Finance and Central Services Director, in consultation with the Leader of the Council and the Chairman of the General Purposes Committee be authorised to finalise and enter into the arrangements with Gravesham Borough Council for a shared Chief Executive.

Background papers:

contact: David Hughes

Nil

Mark Worrall  
Leader of the Council

David Hughes  
Chief Executive

| <b>Screening for equality impacts:</b>                                                                                                                              |               |                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------------------|
| <b>Question</b>                                                                                                                                                     | <b>Answer</b> | <b>Explanation of impacts</b> |
| a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? | No            |                               |
| b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?                                               | N/A           |                               |
| c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?                                                                   |               |                               |

*In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.*