

COUNCIL

DATE OF MEETING: 29 SEPTEMBER 2022

TITLE OF REPORT: EFFICIENCY SAVING: RECOMMENDATION TO MOVE TO A SINGLE CHIEF EXECUTIVE OPERATING MODEL

Cabinet Portfolio: Leader of the Council

PURPOSE OF REPORT

1. To recommend to Full Council that the Council should adopt a single CEO model and to bring it into full effect at the earliest opportunity.

RECOMMENDATION

2. Cabinet recommends to Full Council that the Council should adopt on a single CEO model and bring it into full effect at the earliest opportunity (and that some of the estimated annual revenue budget savings achieved potentially reinvested to create additional capacity in Tier 3 manager posts to increase operational capacity/Monitoring officer provision)

CONTEXT

3. The ongoing challenges on the Council's revenue budget, compounded by growing inflationary pressure, means it is essential that the Council brings forward efficiency measures. It needs to be proactive in bringing forward cost savings if the Council is to minimise the impact on Council Tax payers arising from the growing cost of Council services.

BACKGROUND

4. In January 2022 Staffing Committee received from Solace Enterprise a report recommending options for a possible appropriate Senior Management Structure for the future (a confidential report which is available to all Members via Mod.gov).
5. Staffing Committee recommended to Cabinet that Council should:
 - Move to a three Heads of Service model by the end of June 2022 following consideration of the practicalities of remodelling the service areas and management capacity.
 - To progress to a shared CEO in the timeframe being the end of the Municipal year 2022/2023 subject to finding a suitable partner authority.
 - To move to a single CEO model if a suitable partner authority isn't a viable or sustainable option, in the timeframe of the Municipal year 2022/2023.
6. The recommendations made by Staffing Committee were accepted by Cabinet.
7. More recently in July Cabinet received a further report on the potential for Hart District Council and Rushmoor Borough Council to working more closely together. In summary Cabinet agreed to
 - Approve a *Joint Working Together Statement*
 - note the report of the independent consultant on sharing a Chief Executive and agreed to proceed with further work to produce a business case to consider a shared Chief Executive, including obtaining relevant HR and Legal advice.

- to undertake work to assess services which may be suitable to be delivered as shared services.
 - agree a budget of £27,500 (50% of the overall cost) to undertake the work identified.
8. The decision to move to a three Heads of Service (now Executive Director) model has been implemented. The Council is also already exploring the potential of a shared Chief Executive with Rushmoor, and the findings of the latest independent consultant's work are awaited.

PROPOSAL

9. In parallel with the independent consultant's work, it is intended to bring forward the move to a single Chief Executive Officer (CEO) model even if only as an interim measure pending the conclusion of the exploration work with Rushmoor.
10. This is consistent with the preferred option that was recommended by an independent January 2022 Solace Enterprise review of the Senior Management Structure. The Solace Enterprise recommendation was:

The Council should adopt a single CEO and 3 Heads of Service model (option 3) (but with some of the £254k* savings reinvested to create additional capacity in Tier 3 manager posts to increase operational capacity/Monitoring officer provision) based upon a requirement to deliver a business case and transformation plan for the Council to progress to a shared CEO model (option 4) in a 2 year timescale.

*£113k of this projected saving has already been captured with the recent reduction for 4 to 3 Heads of Services (now Executive Directors)

11. This approach would better position the Council to react to the Rushmoor exploration work as envisaged by the independent Solace Enterprise recommendation should the shared CEO option offer a beneficial outcome. More importantly, it would give greater certainty for staff, councillors and the public, including stakeholders, about the future senior officer leadership direction of the Council. It would also assist us in our 2023/24 budget formulation processes.
12. Due to the need for consistency and stability in the face of on-going restructuring it is the intention to seek to fill the single CEO position internally with the opportunity ring fenced to one of the two current Joint Chief executives.
13. In the event that the exploration of the shared Chief Executive opportunity with Rushmoor is not successful, the intention is that potentially some of the savings that would arise from the move to a single Chief Executive would be reinvested back into maintaining the operational capacity of the Council. In this regard the new single Chief Executive, in their capacity as Head of Paid Service, should review the resultant officer management structure and within 6 months bring forward proposals to address any potential operational capacity issue arising directly from the move to a single Chief Executive model.

EQUALITIES

14. No issues of equality are anticipated arising from any operational decision to move to a single Chief Executive model.

CLIMATE CHANGE IMPLICATIONS

15. No climate change implications will arise from operational decision to move to a single Chief Executive model.

ACTION

16. Should Council accept the proposal the intention is to follow the Council's own employment practices and to bring the interim single CEO element of the model into effect at the earliest opportunity.

Background paper

Staffing Committee reports January and February 2022.

Cabinet reports February 2022 and July 2022, and September 2022.

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