

EMPLOYMENT COMMITTEE	AGENDA ITEM No.
24 JUNE 2016	PUBLIC REPORT

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SHARED CHIEF EXECUTIVE ARRANGEMENTS BETWEEN PETERBOROUGH CITY COUNCIL AND CAMBRIDGESHIRE COUNTY COUNCIL

R E C O M M E N D A T I O N S	
FROM : Kim Sawyer, Director of Governance	Deadline date : 29 June 2016
That Committee:	
<ol style="list-style-type: none"> 1. Note the review undertaken in conjunction with Cambridgeshire County Council; 2. Agree that the shared Chief Executive arrangement be made permanent; 3. Agree to a contractual variation for the Chief Executive; 	
Subject to Committee agreeing recommendations (2) and (3), recommends that Council:	
<ol style="list-style-type: none"> 4. Agree that the shared Chief Executive arrangements be made permanent; and 5. Agree to a contractual variation for the Chief Executive. 	

1. ORIGIN OF REPORT

1.1 This report follows the report approved by this Committee on 17 September 2015 and the subsequent approval by the Council at its meeting on 14 October 2015 that a temporary shared Chief Executive arrangement be put in place between Peterborough City Council (PCC) and Cambridgeshire County Council (CCC).

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to note that the 6 month review has taken place and to consider a proposal put forward by CCC that the shared Chief Executive arrangement between PCC and CCC be made permanent, subject to the approval of both Councils.

2.2 This report is for the Committee to consider under its Terms of Reference 2.3.1.1 to appoint Directors and Heads of Service, and determine terms and conditions of employment.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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4. BACKGROUND

4.1 The Employment Committee met on 17 September 2015 to consider a proposal put forward by CCC to share PCC’s Chief Executive on a secondment basis. This proposal followed the resignation of the Chief Executive of CCC.

4.2 Following discussion of all of the options, the Employment Committee gave its support to appoint Gillian Beasley to the post of shared Chief Executive initially for a one year period. This recommendation was subject to the approval of Full Council, which was granted on 14 October 2015.

4.3 This arrangement was agreed on the basis that PCC would second Mrs Beasley to CCC for half of her working time, thereby sharing the cost of her employment.

5. REVIEW OF SECONDMENT ARRANGEMENT

5.1 The secondment commenced on 2 November 2015 and the Employment Committee report dated 17 September 2015 stated that a review of this arrangement would be undertaken in six months jointly between both Council Leaders, and the Chief Executive. The expectation was that this review would consider the benefits of the working arrangements, any achievements made for both parties, progress against objectives and would seek input from the Chief Executive regarding how the more practical arrangements are working.

5.2 The wording set out in the Secondment Agreement is as follows:

“The secondment shall be subject to a review on the anniversary of six months following the commencement of this agreement; such review to be conducted in accordance in a manner agreed by all parties. The review will be completed by 19th April 2016.”

5.3 A review was carried out and focussed on the strategic objectives that were set at the beginning of the secondment and the impact on PCC.

5.4 The benefits have seen real progress, as can be seen by the examples below:

- Opportunities created to explore sharing resources and expertise across both organisations, which have been facilitated by the Chief Executive within both senior teams.
- Ongoing exploration of senior shared roles within Economy, Transport and Environment to create efficiencies.
- A joint management arrangement has been introduced for Trading Standards with a view to transferring the CCC staff to PCC to develop a joint team later this year.
- The joint Chief Executive role has also been able to add strength to PCC’s regional position and shown added benefit for example with regards to the devolution discussions.
- Over 50% saving on Chief Executive Salary and on costs.

5.5 Both leaders have discussed their review of the secondment arrangements. The conclusion is that there has been significant progress on both the strategic objectives and the anticipated benefits, to the degree that the secondment is considered a success in managerial terms.

6. NEXT STEPS AND OPTIONS

6.1 All parties were aware that, should a shared Chief Executive role prove to be successful, then any move to make this a permanent arrangement would require an appropriate process.

6.2 CCC have considered their options for next steps in October when the current secondment arrangement ends and, subject to approval by both Councils, have recommended that Gillian Beasley be confirmed in post as joint Chief Executive for CCC and PCC. At any point where Gillian Beasley is no longer in the shared Chief Executive post, it is also proposed that a review, between the two authorities, will take place to consider the joint shared Chief Executive role and arrangements.

- 6.3 Should this proposal be endorsed by this Committee, CCC are also proposing to put in place a Deputy Chief Executive to provide additional capacity and support to the shared Chief executive arrangements.
- 6.4 At the heart of this arrangement is the maintenance of political sovereignty for each Council ensuring that each Council can deliver its own political priorities, strategy and policies. The shared arrangement supports the sovereignty of each Council and at the same time enables the benefits of the arrangement to be realised across both Councils.

7. ALTERNATIVE OPTIONS

There are a number of alternatives which the Committee could consider as follows:

- 7.1 End the shared Chief Executive arrangements - the benefits noted in 5.4 of this report would be lost and CCC would then advertise the Chief Executive post for CCC alone.
- 7.2 Further period of extension - this will create uncertainty for both Councils and in particular, would preclude CCC from appointing a Deputy Chief Executive.
- 7.3 Advertise the shared Chief Executive post – CCC have indicated that this would not be their preference.

8. CONSULTATION

- 8.1 Consultation has taken place with Gillian Beasley, Group Leaders, Cabinet Policy Forum and CCC. Gillian Beasley has advised that should Members wish to make permanent the current arrangement, she would be willing to continue with the shared arrangement and would not be seeking an increase in salary. She has also advised that, from experience over the past 6 months, it would be beneficial for both Councils, if CCC appointed a deputy chief executive.

9. IMPLICATIONS

- 9.1 Finance - The expectation is that, if a joint arrangement was endorsed, the financial saving would amount to £110k per annum as the employment and associated costs, for example pension costs, would continue to be managed on a 50/50 cost share basis. This saving would increase if there were any future pay awards.
- 9.2 Human Resources – if the proposals are agreed a revised agreement will be drawn up and framed in such a way which protects the interest of all parties.
- 9.3 Legal - Under section 113 of the Local Government Act 1972 a local authority is permitted to enter into an agreement with another local authority to place its officers at the disposal of the latter for the purposes of their functions. This is the section which governs these shared service proposals. Under Peterborough City Council's constitution the Council is responsible for approving the agreement to enter into these shared arrangements. Section 4 of the Local Government and Housing Act 1989 states that all local authorities must designate a Head of Paid Service. At Peterborough City Council the Chief Executive is designated to that statutory role and leads the officers to support the delivery of the Council's functions and services. Under section 112 of the Local Government Act 1972 the Council has responsibility for determining the terms and conditions upon which its staff are employed. That responsibility is given to the Employment Committee under its delegated authority. Given that these arrangements will result in the appointment of the Council's most senior employee to another Council to operate in parallel with the Chief Executive's continued employment at the City Council, the matter would need to be referred to Council for approval as the only the Full Council may deal with such matters concerning the Chief Executive.

10. BACKGROUND PAPERS

10.1 None.

11. APPENDICES

11.1 None.