

**Please note venue
for meeting**

Dear Members

Extraordinary Council Meeting

I hereby give notice that an Extraordinary meeting of the Council will be held at
Rising Brook Community Church, Burton Square, Stafford, ST17 9LT on
Monday 17 May 2021 at 7.00pm to deal with the business as set out on the agenda.



Tim Clegg
Chief Executive

EXTRAORDINARY COUNCIL MEETING –17 MAY 2021

Mayor, Councillor Tony Nixon

A G E N D A

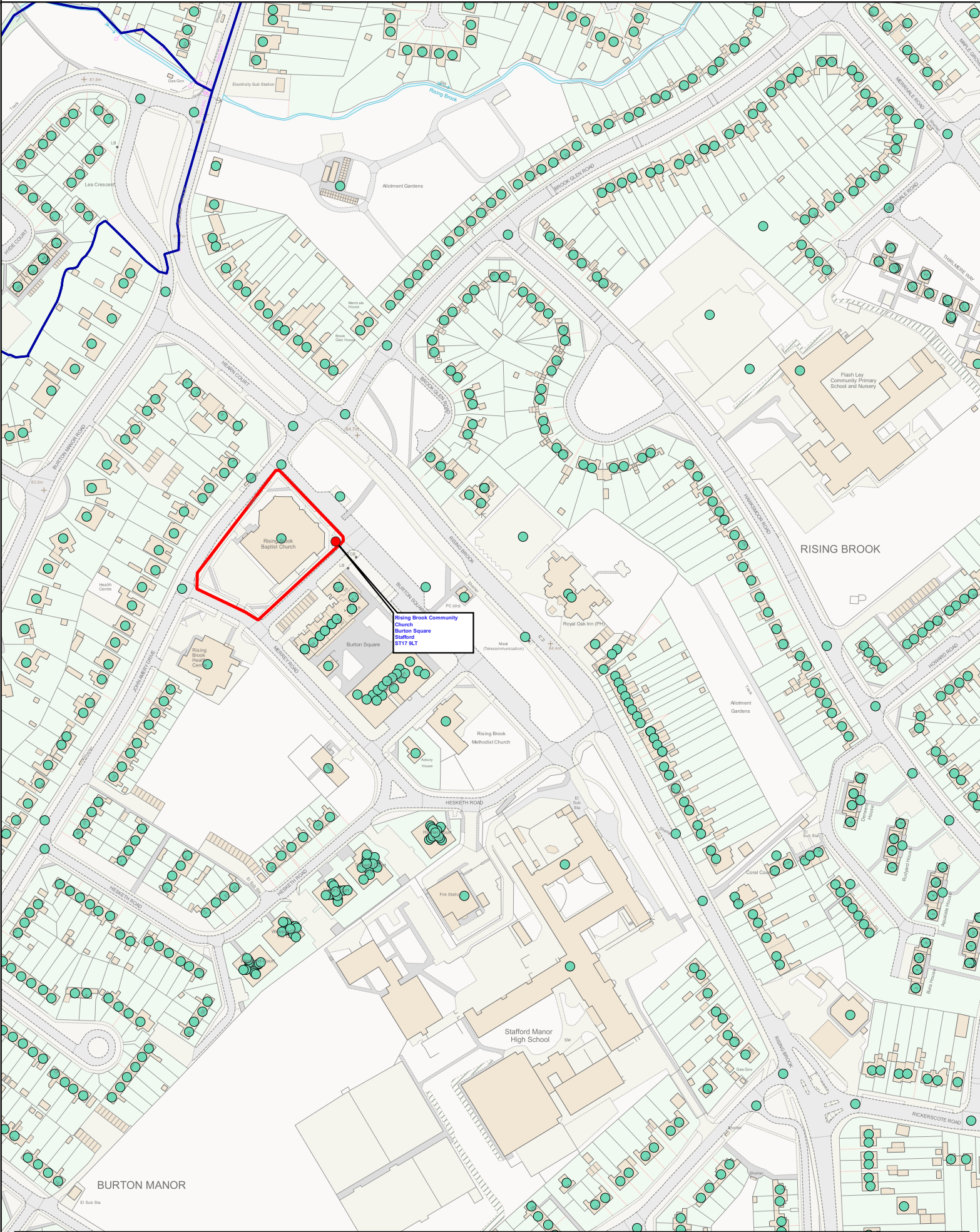
- 1 Approval of the Minutes of the meeting of Council held on 20 April 2021 as published in Digest No 276 on 5 May 2021.
- 2 Apologies for Absence
- 3 Declarations of Interest

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Chief Executive

Civic Centre
Riverside
Stafford
ST16 3AQ



ITEM NO 4

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Report of:	Leader of the Council
Contact Officer:	Joint Report of Chief Executive and Head of HR
Telephone No:	01785 619200
Ward Interest:	Nil
Report Track:	Ext Council 17/05/2021 (Only)

**EXTRAORDINARY COUNCIL
17 MAY 2021
Secondment of Chief Executive**

1 Purpose of Report

- 1.1 To consider the rationale for the sharing of a Chief Executive between Stafford Borough Council and Cannock Chase Council for an initial 12-month period.
- 1.2 To consider the proposed terms of reference; terms and conditions, governance arrangements and timeline for that role in determining a business case for the ongoing sharing of a Chief Executive and further shared services.

2 Recommendation

- 2.1 That subject to approval of the proposals by Cannock Chase Council, at its Council meeting on 19 May 2021, the Council approves
 - i. The secondment of the Councils Chief Executive, Tim Clegg, to Cannock Chase Council to provide services as Joint Chief Executive and Head of Paid Service from 1 June 2021, for a period of 14 months ("the Term").
 - ii. That an interim report be submitted after 8 months in relation to the effectiveness of the interim sharing arrangements and an outline business case for ongoing sharing between the two Councils
 - iii. During the Term, Mr Clegg will remain employed by Stafford Borough Council and seconded to Cannock Chase Council by agreement under section 113 of the Local Government Act 1972. Council agree to share the full costs of the

Joint Chief Executive post with Cannock Chase Council on a 50%/50% basis, accepting that current base salary for the post will be increased by 15%, during the Term, to reflect its increased responsibilities across two Councils.

- iv. That a £20,000 budget is set aside to enable independent support and advice to be procured to progress the business case (with Cannock Chase Council also setting aside £20,000 for this purpose).
- v. That Emma Fullagar (Interim Head of Finance (Shared Services)) be appointed as interim Section 151 Officer following the retirement of the current office holder until a succession plan for the vacant substantive position is finalised.
- vi. That in order to provide adequate cover arrangements and to provide a mechanism in relation to conflicts of interests that the Joint Chief Executive is delegated authority to appoint an Interim Deputy, from the existing Senior Management, for Stafford Borough Council. The Deputy post being delegated authority to undertake the role of Head of Paid Service function in the absence of the Joint Chief Executive and to be subject to a 10% uplift for the 12-month period commencing 1 August 2021.
- vii. That a non-decision-making Shared Services Board be established consisting of the Leader and Deputy (or nominee) of each Council together with the Joint Chief Executive, Interim Deputies for each Council and Shared Service Client Leads of each Authority as appropriate. The Board will report to both Councils with proposals for consideration.
- viii. That the Head of Law and Administration and Corporate Services together with the Head of Human Resources, in consultation with the Leader of the Council are authorised to finalise the necessary legal and HR arrangements in relation to the above recommendations.

3 Key Issues and Reasons for Recommendation
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Key Issues

- 3.1 Following the resignation of the Managing Director of Cannock Chase Council the opportunity has arisen to consider the further sharing of services and in particular the appointment of a Joint Chief Executive for Stafford Borough Council and Cannock Chase Council.
- 3.2 In order to progress such proposals Members and Officers from the respective Councils have considered the rationale and objectives of sharing a Chief Executive and joint principles have been agreed together with the potential scope of services and functions to be shared.

- 3.3 The proposal is to appoint a Joint Chief Executive for an initial 14-month period to:
- Effect an initial 2-month handover period between the Joint Chief Executive and the current Interim Managing Director
 - Develop an initial business case and proposals for future development.
 - Understand the management and political aspirations, needs and priorities of each Council to be able to determine the most effective potential management structure.
 - Consideration of the options for the sharing model going forward and the necessary governance arrangements as outlined above
 - The timetable for implementation and milestones of proposals
- 3.4 The report sets out the Terms of Reference for the post together with Terms and Conditions of the 14-month appointment, the support arrangements required to develop the business case and manage each authority together with governance arrangements for this initial period.
- 3.5 A progress report is to be submitted after 8 months in relation to an outline Business Case and the effectiveness of the sharing arrangements.
- 3.6 If after eight months either party felt the arrangements were not working, the Joint Chief Executive would support Cannock Chase Council to consider and implement alternative arrangements, with the sharing arrangements terminating after the 14-month period.
- 3.7 A successful outline Business Case would detail the governance arrangements for the continuation of the Joint Chief Executive post, the proposed sharing model to be adopted and the proposed timetable for implementation of further shared services.

Reasons for Recommendations

- 3.8 The appointment of a Joint Chief Executive requires each Council to put in place the necessary infrastructure to support the post holder in undertaking the overall management of two authorities and to develop a Business Case for further shared services.

4 Relationship to Corporate Business Objectives
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- 4.1 The potential to share a Chief Executive and further shared services is considered to be a key element in making the Council financially resilient and providing the necessary capacity and resilience for the delivery of the priorities set out in the Corporate Business Plan 2021-24 and the management of the business of the Council.

5	Report Detail
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- 5.1 The sharing of services and management teams is becoming a common theme in order to address financial and capacity issues, with this model currently existing within Staffordshire at Staffordshire Moorlands / High Peak and within Worcestershire at Bromsgrove / Redditch Councils and Malvern Hills/ Wychavon Councils.
- 5.2 Stafford Borough and Cannock Chase have been sharing services since 2010-12 as a result of an initial business case and Memorandum of Understanding being agreed by both Councils in 2009.
- 5.3 The first phase of shared services was in relation to support services with the Monitoring Officer role initially being shared and subsequently Finance, Internal Audit, Risk and Resilience, Legal, Information Technology and Human Resources being shared. In addition, front facing services of Building Control and Revenues and Benefits were also shared.
- 5.4 A second phase involving Environmental Services was considered by both Councils in April 2019. The report to the respective Cabinets also looked at Digital/Customer services and the Planning Systems with both Councils agreeing to review the options for further collaboration and Phase 2 of the Environmental Services Review, including the potential for further shared services, after a period of 18-24 months.
- 5.5 Following the resignation of Cannock Chase Council's Managing Director in February 2021 a formal approach was received from Cannock Chase Council in relation to the Stafford Borough Council Chief Executive acting as a Joint Chief Executive for a period of 12 months.
- 5.6 The 12-month initial period being to enable a Business Case for a Joint Chief Executive, and further shared services, to be developed between Stafford Borough Council and Cannock Chase Council.
- 5.7 That subject to a positive outcome to the formal approach a further report (this report) was to be submitted to both Councils detailing the rationale and terms and conditions for the proposal to share a Chief Executive on an initial 12-month interim basis.

Rationale and Objectives for sharing of a Chief Executive

- 5.8 Following the receipt of the proposal to share a Chief Executive for an initial 12-month period each Council have considered their rationale and objectives for further sharing.
- 5.9 Discussions have taken place at each Leadership Team, Cabinet Briefing and with Group Leaders and the rationale and objectives outlined below have been agreed in principle.

- 5.10 In accordance with the existing Memorandum of Understanding (MOU) the overriding principle of any further sharing or collaboration is to maintain the identity, independence, and integrity of each authority.
- 5.11 Each Council and its Cabinet would retain control over delivery of each Council's services, including the level of budgetary provision for particular services and policy.
- 5.12 In addition to the principles as contained in the MOU the current drivers for sharing a Chief Executive and wider sharing include: -
- i. To make each Council, in particular the management structure, more resilient, flexible, adaptable, and sustainable into the future.
 - ii. Ability to recruit and retain high calibre management.
 - iii. Increased service resilience and capacity.
 - iv. Ability to manage peaks and troughs and volatility in demand for services.
 - v. Share existing strengths and to develop best practice across the two Councils.
 - vi. To provide impetus for digital and customer related transformation.
 - vii. Minimises corporate overheads.
 - viii. Explore opportunities for further sharing and collaboration in order to:
 - secure further savings and efficiencies.
 - realign contracts to provide both potential savings from procurement and contractor overhead.
 - alignment and integration of service specific ICT systems.
 - generation of external income from trading etc.
- 5.13 In light of the impact of the pandemic, the initial focus of sharing is seen to be providing the resilience and capacity throughout both organisations to undertake its ongoing response and recovery to the pandemic but more importantly to strategically reshape its service provision reflecting the opportunities the pandemic has created.
- 5.14 The future funding of local government is uncertain and therefore both Councils need to identify further efficiencies and savings from a revised sharing and collaboration model to safeguard their long-term financial sustainability.
- 5.15 One of the key external factors for considering sharing a Chief Executive and a wider sharing model between the two Councils is the prospect of local government re-organisation. Whilst the Government's plans for progressing this have slowed down largely due to the pandemic, there is still a keen interest in this particularly for councils who choose to do this collaboratively. Whilst this proposal is limited only to sharing of officers and services, it would demonstrate collaboration and an opportunity to improve service delivery/efficiency/capacity and potentially deliver future financial savings.

Scope of services /functions to be shared

- 5.16 In order to achieve the key objectives both Councils recognise that the scope for sharing or collaboration should not be unduly restricted.
- 5.17 Cannock Chase Council does however manage its own housing stock and in accordance with legislation its Housing Revenue Account is a ring-fenced service and hence is outside the scope of sharing.
- 5.18 In addition to the above, both Councils have proposed that the Economic Development service and in particular its inward investment function should remain with each Council at the present time as there is the potential for conflict of interests / competition between the two Councils.
- 5.19 Other potential functions that require further deliberation include the local planning function and elections, but both are considered to be in scope at this stage.

Terms of Reference for Interim Joint Chief Executive

- 5.20 The sharing of services to date has been undertaken in accordance with the Memorandum of Understanding between the two authorities and on production of a valid Business Case. However, the sharing of a Chief Executive is potentially more complex in terms of the scope of the sharing in terms of Management Teams, the required Governance arrangements at Member level and the requirement for protocols to deal with potential conflicts of interests.
- 5.21 In order to properly assess such arrangements, it is proposed than an Interim Joint Chief Executive be appointed for 14 months.
- 5.22 The interim arrangement or trial basis would enable the Interim Chief Executive to:
- Spend an initial 2 months effecting a handover with the current Interim Managing Director
 - develop an initial business case and proposals for future development.
 - understand the management and political aspirations, needs and priorities of each Council to be able to determine the most effective potential management structure.
 - Consideration of the options for the sharing model going forward and the necessary governance arrangements as outlined above; and
 - The timetable for implementation and milestones of proposals.
- 5.23 The appointment for 14 months would allow sufficient time for a two-month handover period, before the development of the business case in the following 6 months. It will enable both Councils to assess the effectiveness of the shared Chief Executive arrangements and then to proceed with implementation of a revised management structure and governance arrangements.

- 5.24 In light of the existing commitments of each authority additional independent support is likely to be required by the Joint Chief Executive to develop the Business Case.
- 5.25 Support is likely to be required to undertake the necessary high level analytical review of service levels/ performance and costs for the relevant services; to look at potential sharing models and to determine a potential timeline for implementation based upon improvements to service delivery and savings available. Project management support in addition to HR and Legal advice will also be required.
- 5.26 It is proposed that an initial £40,000, to be split equally by both authorities, is set aside to undertake such work.
- 5.27 Particular governance issues to be resolved during this 14-month period, if a valid business case existed, will include:
- i. Revised Memorandum of Understanding/Terms of Reference.
 - ii. The preferred sharing 'model'.
 - iii. Interim and future Appointment Process.
 - iv. Interim and future Terms and Conditions, including remuneration.
 - v. HR/Legal /Financial/Governance arrangements.
 - vi. Returning Officer roles
 - vii. Basis of sharing savings and costs.
 - viii. Performance Management.
 - ix. Dispute resolution and termination clauses.
 - x. Communications – internal and external.
 - xi. Service delivery, short term capacity and priority issues.
- 5.28 In addition to the above support arrangements and in order to provide cover in the absence of the Joint Chief Executive and to provide a mechanism in relation to conflicts of interests that the Joint Chief Executive is delegated authority to appoint a Deputy, from the existing Senior Management, for Each Authority. The Deputy posts being delegated authority to undertake the role of Head of Paid Service function in the absence of the Joint Chief Executive and to be subject to a 10% uplift for the 12-month period commencing 1 August 2021.
- 5.29 In order to provide flexibility in the sharing model, during the initial eight-month period any senior management vacancies would be reviewed and only be appointed to on a temporary basis at each Council until the business case is approved.
- 5.30 If after eight months either party felt the arrangements were not working, the Chief Executive would support Cannock Chase Council to consider and implement alternative arrangements.

Terms and conditions of the Interim Joint Chief Executive

- 5.31 In light of the interim arrangements proposed it is necessary from a contractual standpoint for the Joint Chief Executive to remain employed by their original authority, Stafford Borough Council. As detailed in 5.27 further consideration will be given to future Terms and Conditions if sharing is to continue as part of further sharing arrangements.
- 5.32 Existing terms and conditions will therefore remain in place subject to the remuneration of the Joint Chief Executive reflecting the increased demands, complexity, and accountability of the role.
- 5.33 Benchmarking has been undertaken with three sharing arrangements within the West Midlands Region as follows.

Authority	Population	Employees	Salary Range	
	Est 2019	FTE	From	To
Bromsgrove	99,881	361	124,000	129,000
Redditch	85,261	342		
Malvern	78,698	153	118,000	127,000
Wychavon	129,433	211		
High Peak	92,666	212	154,400	167,450
Staffordshire Moorlands	98,435	101		
Cannock Chase	100,762	385		
Stafford Borough	137,280	209		

Comparisons with other authorities revealed the following salary ranges:

Babergh and Mid Suffolk	£119,000 to £138,000
Eastbourne and Lewes	£147,000 to £152,000
Adur and Worthing	£125,000

- 5.34 The current salary of the Chief Executive for Stafford Borough is £117, 216 and in light of the additional accountabilities and complexity of the 14-month appointment a consolidated 15% increase in remuneration is warranted in line with relevant market factors. The national pay award relevant to the Chief Executive's current position, and propose joint post, remains unresolved at the date of this report.

Governance Arrangements

- 5.35 It is proposed that a Shared Services Board be established to oversee the preparation of the outline Business Case. The initial Board to comprise at Member Level of the Leader and Deputy (or nominee) from each Council and at Officer level of the Joint Chief Executive, Interim Deputies, and the Shared Services Lead of each Council. Independent Advisors will be invited to the Board as appropriate.
- 5.36 It is proposed that the Board is a non- decision-making arrangement however the meetings of the Board will be minuted and circulated to the members of each Council in accordance with normal practice.
- 5.37 The Shared Services Board will receive updates in progressing the business case and provide a steer of direction as required.
- 5.38 Meetings are to be scheduled on a two-monthly basis (more frequent if required) with the venues (including remote meetings as appropriate), and chair of each meeting, alternating between each authority.
- 5.39 The Board will report to both Councils detailing proposals for consideration commencing with the interim report. after 8 months, on the effectiveness of the interim sharing arrangements and an outline business case for ongoing sharing between the two Councils.

6 Implications	
6.1 Financial	<p>The Financial Implications are referred to throughout the report and are to be contained within the existing approved budget. Savings will accrue to both Councils as a result of the resignation of the Managing Director at Cannock Chase Council and the sharing of costs in relation to the existing Chief Executive at Stafford Borough Council.</p> <p>Provision also exists at both Councils in relation to a Shared Services Transformation Reserve. The cost of the Acting Joint Chief Executive, Deputies and Support costs are to be shared equally by Stafford Borough Council and Cannock Chase Council.</p>
Legal	<p>In accordance with Section 113 of the Local Government Act 1972 a local authority can enter into an agreement with another local authority to place its officers at the disposal of the other authority. Officers subject to sharing arrangements are able to take binding decisions on behalf of the body at whose disposal they are placed, although they remain an employee of their original authority for employment and superannuation purposes.</p> <p>Section 112 of the Local Government Act 1972 local authorities have a duty to appoint such officers as they think necessary to enable them to discharge their own functions and any functions which they carry out for another local authority.</p> <p>Section 4 of the Local Government and Housing Act 1989 places a duty on each Council to designate one of their officers as the Head of Paid Service and to provide that officer with such staff, accommodation and other resources as are, in his/her opinion, sufficient to allow his/her duties under this section to be performed.</p> <p>Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.</p>
Human Resources	The HR implications are referred to throughout the report
Human Rights Act	Nil
Data Protection	Nil

<p>Risk Management</p>	<p>There are a number of risks associated with the proposal to move to a Shared Chief Executive role, and potential shared management team. The benefit of an initial interim arrangement is the opportunity to maintain a lead for service delivery whilst assessing the pros and cons of such an arrangement at first hand. A full risk register would be established as part of the project.</p> <p>Although the sharing of services to date has provided an infrastructure to mitigate such risks, the sharing of senior management either in part or full, will involve short term resilience and capacity issues as well as issues of culture and change. In order to mitigate this risk it is proposed additional external capacity and impartial advice, analytical and project management skills together with legal and HR advice, is provided to take this forward in the short term and to support transformation of services in the medium term</p> <p>The initial risk is the creation of uncertainty in both organisations and the potential loss of focus on key priorities in the short term.</p>
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<p>6.2 Community Impact Assessment Recommendations</p>	<p>The Borough Council considers the effect of its actions on all sections of our community and has addressed all of the following Equality Strands in the production of this report, as appropriate:-</p> <p>Age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.</p>
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<p>Previous Consideration - Nil</p>
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<p>Background Papers - Nil</p>
