

## SUPPLEMENTARY REPORT TO ITEM 9

2 July 2014

Agenda Item: 9

### Ordinary Council

### Supplementary report to Agenda Item 9 – Restructure Proposals

**Report of:** *David Lawson, Monitoring Officer*

**Wards Affected:** *None*

**This report is:** *Public*

#### **1. Executive Summary**

- 1.1 This report outlines additional information and recommendations arising from negotiations with a member of the Senior Management Team.
- 1.2 The current Managing Director has taken the decision to leave the Council ahead of the restructuring process under agreed terms between both parties. If agreed, this would negate the requirement for consultation on converting this role to one of a Chief Executive.
- 1.3 It is proposed that the Director of Strategy and Corporate Services (Section 151 Officer) will undertake the role of Head of Paid Service pending the recruitment of a Chief Executive.

#### **2. Recommendation(s)**

- 2.1 Council agrees to end the contract for the existing Managing Director with effect from 6 July 2014.**
- 2.2 Council agrees to proceed with the recruitment of a permanent Chief Executive.**
- 2.3 Council agrees to appoint Jo-Anne Ireland, Director of Strategy and Corporate Services as the Head of Paid Service pending the recruitment of a Chief Executive which will include an acting up allowance equivalent to the current basic salary effective from 1 June 2014.**

### **3. Introduction and Background**

- 3.1 As outlined in Agenda Item 9 of the Ordinary Council Agenda, negotiations have been on-going with a member of the Senior Management Team regarding terms for a managed exit ahead of the restructuring process.

### **4. Issue, Options and Analysis of Options**

- 4.1 The full detail of the terms of the proposed settlement is subject to confidentiality between the parties so cannot be disclosed. However, the settlement sum agreed was in line with the Council's redundancy payment policy, together with other contractual entitlements.
- 4.2 It is therefore proposed that the Managing Director's employment contract will end on 6 July 2014. It is further agreed that for the period up to this date that she be afforded "garden leave".
- 4.3 The one off costs relating to this will be met from the Organisational Transformation Reserve. However, these will largely be offset by salary savings achieved through the recruitment lag.
- 4.4 In the interim period, it is proposed that the Head of Paid Service role is undertaken by the Director of Strategy and Corporate Services (Section 151 Officer). This will be effective from 1 June 2014 until such time as the new postholder is in place.

### **5. Reasons for Recommendation**

- 5.1 To enable the Council to move forward with the recruitment of a Chief Executive Officer.

### **6. Consultation**

- 6.1 Should any recommendations come forward that evaluates the remuneration for the Chief Executive post above £100,000 this will be brought back to Council as outlined in the Pay Policy.

### **7. References to Corporate Plan**

- 7.1 Becoming a Modern Council requires a Senior Management structure that builds resilience and releases capacity for strategic planning.

## **8. Implications**

### **Financial Implications**

**Name & Title:** Jo-Anne Ireland, Director of Strategy and Corporate Services

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- 8.1 Any costs arising from the proposals (including recruitment costs) will be met from either recruitment lag and/or the Organisational Transformation Reserve.
- 8.2 The post of Managing Director is the only post within the authority with a salary grade above £100,000. In accordance with government guidance and the motion agreed by Full Council in October 2013, any future intention to offer a salary for a new appointment above £100,000 will be at the vote of Full Council.

### **Legal Implications**

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- 8.3 For the Settlement Agreement (formerly Compromise Agreement) agreed in principle with the Managing Director, this was negotiated with the benefit of specialist employment legal advice. The agreement will be binding on the parties, including a clause preventing any potential litigation and a confidentiality clause.

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