

CABINET 11 October 2012

COUNCIL 16 October 2012

### Introduction

1 The Chief Executive and I have been discussing options for the achievement of the £300,000 per annum savings scheduled for Year 3 of our 10 year budget, i.e. with effect from April 2013. It was agreed by Council in December 2010 that these savings would be found either through shared senior management or from further savings within Sevenoaks District Council's management.

2 It should be noted that the Council has already identified additional savings of £60,000 pa towards this target from Corporate Resources and Community & Planning Services departments, some 6 months ahead of budget.

3 To assist in clarifying our options the Chief Executive has helpfully notified me well in advance, of his personal intention to retire at the beginning of September 2013, as clearly this decision has a major bearing on the options available, and shields the Council from what could otherwise be significant redundancy, etc costs.

4 In considering the Chief Executive role, I think our basic options are as follows:

A straight replacement through external advertisement;

B approach another District and ask to share their Chief Executive; or

C adopt the "Wiltshire" model i.e. delete the Chief Executive post and manage the authority through Leader/Cabinet/Directors;

D decide to make an internal appointment.

5 In the context of meeting the required budget savings, I think our options in practice are more limited.

#### **Option A (external replacement)**

6 This would make no financial savings and would run counter to Central Government's approach, and would presumably limit our future management options for some time to come.

#### **Option B (Sharing another Council's Chief Executive)**

7 This is also difficult from a financial point of view in that it would mean sharing 50% of the savings with another authority. When we originally considered the project of saving £300,000 pa, this was not on the basis of sharing a single post, but on a more comprehensive merger of management teams, senior management and consequential savings from shared services.

8 As Members are aware, whilst we have already made substantial savings from shared services, shared management on a large scale has proved problematic. Whilst it may still be an option in the future, I do not think it is a realistic option at present.

#### **Option C (Deletion of Chief Executive post)**

9 In considering the restructuring options, I do not favour the “Wiltshire” model. Deleting the post would obviously save costs associated with the Chief Executive’s post, but in talking to political colleagues, I am not satisfied that it is a long-term sustainable model.

#### **Option D (Internal Appointment)**

10 In conclusion, my proposal is to make an internal appointment from the current Directors, through a normal Appointments Panel Selection process, combining the role of Chief Executive with that of the successful Director, deleting that Director post and restructuring accordingly. The Council is extremely fortunate in having officers in post of outstanding quality who are more than qualified to take on the Chief Executive role.

11 This would make a major contribution to our savings target (at least £140,000 pa with on-costs). We would be secure in ensuring the appointment of an officer with a proven track record and we would still be in a favourable position to take advantage of future opportunities for shared management, should they arise.

#### **Process and timescale**

12 As mentioned earlier, the savings are built into our ten year budget with effect from April 2013. Obviously this means that the savings need to be identified and built into our budget preparation process during this Autumn.

13 Robin Hales has kindly volunteered that he would be prepared to give early notice of his retirement to enable these preparations to take place. This would give certainty to us all, and would help other senior officers, who will understandably become increasingly concerned as to how these savings are to be made.

14 This approach will mean that the year 3 savings will be made slightly later than envisaged (September instead of April) but as I said earlier, we have already saved £60,000 6 months ahead of schedule, and by taking advantage of this opportunity we will avoid potentially significant redundancy costs.

15 Subject to Council approval of this proposal at its meeting on 16 October, this would enable the Appointment Panel to convene and for its recommendations to be confirmed at full Council on 27 November, which would be within the necessary time scale.

16 Once appointed, the new Chief Executive Designate can then work with Robin and myself to identify the remaining, comparatively lesser, savings which will still need to be found.

## Conclusion

17 The Council's four year savings plan, and the initiatives contained in our 10 year budget, place us in a comparatively strong financial position. However, the impending changes in Government funding for local authorities, and the combination of a number of other factors (e.g. Welfare Reform and Council Tax benefit reform) mean that we will continue to be faced with challenging issues. The option we select therefore needs to ensure a balanced approach, which maximises our savings opportunity, whilst allowing the Council to continue to deliver high quality services.

18 I recommend that the internal appointment proposal outlined in Option D above provides the right combination of significant savings and succession planning from high calibre officers of outstanding track record.

**Cllr Peter Fleming**  
**September 2012**