

# **Termination of shared Chief Executive Officer (CEO) arrangements with East Devon District Council**

*Lead Officer:* Ian Clarke, Assistant Director (Legal & Corporate Services)  
*Contact Details:* [ian.clarke@southsomerset.gov.uk](mailto:ian.clarke@southsomerset.gov.uk) or (01935) 462184

## **1. Purpose of the Report**

1.1 This report invites members to agree that the current arrangements with East Devon District Council (EDDC) in relation to the sharing of a Chief Executive be terminated.

## **2. Public Interest Summary**

2.1 At its meeting in May 2014 Council agreed to (i) extend the existing agreement with EDDC to receive the services of the joint Chief Executive Officer (CEO) for the purpose of the council's functions in accordance with section 113 of the Local Government Act 1972 until 30th September 2018 subject to earlier termination as set out in the report considered by members at that time to allow for changing circumstances for either Council in terms of where their strategic direction or opportunities lie.

2.2 It is clear that the future financial environment will pose even greater challenges for local authorities, adoption of the recommendations in this report will continue to deliver management savings through reducing the management costs of running this organisation.

## **3. Recommendations to Full Council**

That Council agrees:-

1. To terminate the existing agreement to receive the services of the joint chief executive for the purpose of the council's functions in accordance with section 113 of the Local Government Act 1972;
2. To delegate the terms of any notice period, notice arrangements and termination costs (up to the maximum amount set out in this report to the Assistant Director – Finance & Corporate Services in consultation with the Leader of Council and Group Leaders
3. that a report on the proposed future management arrangements be presented to council for approval without delay;
4. a maximum compensatory sum of £112,333 is approved with an allocation of £38,416 from Unallocated Balances (with the remainder being funded from the 2015/16 salary saving) subject to negotiation with East Devon District Council;
5. that £88,700 is added to the Medium Term Financial Plan as a saving for 2016/17.

## **4. Background**

4.1 In 2000, SSDC employed a CEO and 6 Directors but by 2008 we had reduced to a CEO and 2 Directors as a part of a continuous process of increasing the efficiency of the Council and reducing management costs whilst maintaining high service standards. The Council then agreed on 25<sup>th</sup> February 2010 to enter into an arrangement with EDDC whereby this Council agreed to effectively share their Chief Executive on a 50:50

basis. The agreement underpinning this arrangement commenced on 22<sup>nd</sup> March 2010 and was capable of being terminated between April and September 2015 on 12 months' notice being served between April and September 2014. This agreement was extended by both Councils in May 2014 to give certainty to both organisations running up to the 2015 elections whilst acknowledging that post 2015 the position might change for both.

- 4.2 A part of the CEO's role over these past 5 years has been to improve the efficiency of the organisation as well as to nurture senior level talent at SSDC. This part of the journey has now been completed and our recent award of IIP Gold accreditation is a visible demonstration of this.
- 4.3 It is now felt that the council's succession plan and the organisation itself has matured to the point where we can consider a further step change and let Mark return to East Devon to pursue the demanding strategic agenda which faces East Devon, Exeter and Teignbridge.
- 4.4 Local Authorities across the UK still face some significant saving targets in order to balance the books as part of the Government's continuing drive to reduce the cost of the public sector. That approach seems likely to continue with promises of further reduction in Central Government funding.
- 4.5 If the recommendation is approved by Council then joint discussions with East Devon relating to the notice period and termination of the contract will take place immediately.
- 4.6 It is not intended to replace the CEO post with an external appointment. There are a number of options available to the council in terms of future management arrangements and structural organisation. The proposal is that senior managers and members examine and consider the various management options that are available and present a report to members with a recommendation for members to approve and adopt. Clearly it is important that certainty be given to both staff and members as soon as possible and the intention is to present this report to members within the next few months. In the meantime Ian Clarke will undertake the role as Acting CEO.

## **5. Financial Implications**

- 5.1 The maximum compensatory element payable under the contract to East Devon if notice is given on the 1<sup>st</sup> June 2015 is a maximum of £112,333 but this has still to be negotiated if Members agree the recommendations.
- 5.2 The budget for 2015/16 for the arrangement is £88,700. If members agree the recommendation £38,416 will be funded from Unallocated Balances with the remainder being funded from the remaining 2015/16 budget.
- 5.3 The budget of £88,700 will then be added to the Medium Term Financial Plan in 2016/17 as an ongoing saving.

## **6. Corporate Priority Implications**

- 6.1 Links to SSDC's Corporate Plan (2012-2015) include:
  - Providing well managed, cost effective services valued by our residents.

## **7. Carbon Emissions and Climate Change Implications**

- 7.1 None arising from this report.

## **8. Equality and Diversity Implications**

8.1 None arising from this report.

## **9. Background Papers**

9.1 Reports to District Executive April 2014 and Council May 2014