

# Item 7

## ITEM NO

## REPORT TO COUNCIL

26 SEPTEMBER 2008

## REPORT OF THE CHIEF EXECUTIVE

### STRATEGIC LEADERSHIP PORTFOLIO

### APPOINTMENT OF CHIEF EXECUTIVE AND SENIOR MANAGEMENT TEAM OF SEDFIELD BOROUGH HOMES

#### 1 SUMMARY

This report provides Council with an update on the recruitment and selection process for appointing the Chief Executive and Senior Management Team of Sedgfield Borough Homes (SBH) and outlines the practical implications of appointments made prior to the transfer date.

#### 2 RECOMMENDED

It is recommended that Council agrees that the Chief Executive and Senior Management Team of Sedgfield Borough Homes be employed by Sedgfield Borough Council until the transfer to Sedgfield Borough Homes.

#### 3 SEDGFIELD BOROUGH HOMES – RECRUITMENT

##### Background

- 3.1 On 26 October 2007 Council approved the Large Scale Voluntary Transfer (LSVT) to a standalone Registered Social Landlord (to be called Sedgfield Borough Homes) as the preferred option for the ownership and management of the Council's housing stock.
- 3.2 On 6 August 2008 Council agreed to proceed with the transfer, subject to the necessary approvals, following the vote of tenants in favour of the proposal. At this meeting it was also agreed that the Chief Executive or nominated deputy be authorised to consider and resolve all matters on behalf of the Council in relation to the proposed transfer.
- 3.3 On 28 August 2008 the Shadow Board approved a senior management structure for Sedgfield Borough Homes consisting of a Chief Executive and four Directors.

##### Recruitment Process

- 3.4 The Shadow Board subsequently agreed that a consultant should be procured to recruit, select and appoint the Chief Executive and Senior Management Team (SMT) of Sedgfield Borough Homes. The responsibility for achieving this was delegated to a sub-group of the Board, referred to as the "Recruitment Panel".

- 3.4.1 On 8 September, SOLACE Enterprises was awarded the contract for the recruitment and selection of the SMT. This process will be undertaken in two stages with the Chief Executive and Director of Finance being appointed in November and the remaining three Directors appointed in December.

## **4 RESOURCE IMPLICATIONS**

### **Financial Implications**

- 4.1 Until Sedgefield Borough Homes is formally established, Sedgefield Borough Council will be the employing body for its Chief Executive and Senior Management Team and the Council will therefore be required to underwrite the employment costs of such employees until the transfer date.

### **Human Resource Implications**

- 4.2 There will be implications for employee contracts and the Council's structure, should any internal candidate(s) be successful in obtaining a position in the Senior Management Team of Sedgefield Borough Homes. The implications of addressing capacity issues will be dealt with within the existing schemes of delegation.

## **5 OTHER MATERIAL CONSIDERATIONS**

### **5.1 Links to Corporate Values**

This report contributes to the following corporate ambitions/values:

- ⇒ Be responsible with and accountable for public finances
- ⇒ Securing quality sustainable housing

### **5.2 Risk Management**

The appointed legal advisors to the Council have provided advice in relation to the risks and liabilities associated with the appointment of the Chief Executive and Senior Management Team. Sedgefield Borough Council's Chief Executive has considered this advice and has deemed that the potential implications are within the Council's accepted appetite for risk and as such can be addressed (if necessary) through mitigation. Risks are primarily in relation to appointees' employment contracts and their status following a delayed or aborted transfer and it is important that this potential risk is explained to candidates during the recruitment and selection process.

### **5.3 Health and Safety Implications**

No additional implications have been identified.

#### 5.4 Legal and Constitutional

The procurement process was undertaken in accordance with Rule 8 of the Council's Contract Procedure Rules, which the Shadow Board agreed to adopt at its meeting of 29 July 2008.

#### 5.5 Equality and Diversity

The Council's equalities policies have been taken into account in the contract which has been awarded to SOLACE to ensure a fair, equitable and transparent recruitment process.

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**Ward(s):** Not ward specific  
**Key Decision Validation:**  
**Background Papers**

Appointment of the Chief Executive and Senior Management Team  
Report to Shadow Board – 26 June 2008, 26 July 2008, 28 August 2008

Large Scale Voluntary Transfer (LSVT) – Result of Ballot  
Report to Council – 6 August 2008

#### Examination by Statutory Officers

	Yes	Not Applicable
1. The report has been examined by the Council's Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Council's S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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