

**WAVERLEY BOROUGH COUNCIL**

**COUNCIL**

**19 JULY 2022**

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**Title:**

**APPOINTMENT OF DIRECTORS FOR THE  
JOINT MANAGEMENT TEAM**

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**Portfolio Holder:** Cllr Paul Follows, Leader of the Council

**Head of Service:** Tom Horwood, Joint Chief Executive

**Key decision:** Yes

**Access:** Part Exempt

**Note pursuant to Section 100B(5) of the Local Government Act 1972**

Annexes 1 and 2 to this report contain exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraphs 1 and 4 of Part I of Schedule 12A to the Local Government Act 1972, namely:

**Paragraph 1 Information relating to any individual**

**Paragraph 4 Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matters arising between the authority or a Minister of the Crown and employees of, or officer-holders under, the authority.**

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**1. Purpose and summary**

- 1.1 In July and August 2021, Guildford and Waverley Borough Councils both considered options for collaboration and agreed to put in place governance arrangements for the partnership, and to create a Joint Management Team (JMT) comprising Chief Executive, Directors and Heads of Service. A Joint Appointments Committee (JAC) of three councillors from each council was established and in November 2021, both councils appointed Tom Horwood as the Joint Chief Executive. The next phase of the appointment process is being conducted in two stages, Directors and then Heads of Service. The JAC has carried out the first stage of the appointments and has completed a recruitment process to appoint three Joint Strategic Directors. The current Strategic Director for Waverley (Graeme Clark) chose not to apply for any of the new roles within the Joint Management Structure. As his post will be deleted by the creation of the Joint Management Team, this means that Mr Clark is now subject to redundancy. Statutory guidance requires Full Council approval for the proposed redundancy payment. This is therefore the subject of a recommendation to the Council. Half of this cost will be met by Guildford Borough Council under the terms of the Inter-Authority Agreement.

- 1.2 Although the JAC may undertake and determine all aspects of the process for the appointment of the Joint Directors on behalf of the councils, Local Government legislation (Section 40 of the Localism Act 2011) require that any new senior appointment with a salary package of £100,000 or more requires Full Council approval. Therefore, following the assessment process with candidates for the Joint Strategic Director roles the JAC, at its meeting held on 16 June 2022 has recommended appointments for confirmation at both Councils' meetings on 19 and 26 July 2022.
- 1.3 The full Council may only make or approve the appointment where no well-founded objection has been made by the Leader on behalf of the Executive in accordance with the provisions of Part II of Schedule 1 of the Local Authorities (Standing Orders) (England) Regulations 2001. The Leaders have confirmed that no such objection was received.
- 1.4 In the light of the decision of Guildford and Waverley Borough Councils to form a Joint Management Team (JMT), the JAC has recommended to both councils the formal appointment of three Joint Strategic Directors.
- 1.5 In July and August 2021, Guildford and Waverley Borough Councils both considered options for collaboration and agreed (a) to put in place governance arrangements for the partnership, and (b) to create a JMT comprising Chief Executive, Directors and Heads of Service. The JMT would then be tasked with bringing forward business cases for further collaboration. A JAC of three councillors from each council was established.
- 1.6 In November 2021, both councils appointed Tom Horwood as the Joint Chief Executive and he started in this role on 1 December 2021.
- 1.7 In February 2022, both councils agreed a shared target of £1.4m savings over the period 2022-2026, with £150,000 to be achieved for each council within the financial year 2022-23 (all figures compared with 2021-22 budgets).
- 1.8 In April 2022, both councils agreed the governance framework for the partnership, comprising (a) heads of terms for the inter-authority agreement and (b) a Joint Governance Committee of six councillors from each council to oversee the risk register and review periodically any changes to the interauthority agreement. The councils agreed that Waverley BC will be the employing authority for the JMT.
- 1.9 With this mandate from the Councils, it is the responsibility of the Joint Chief Executive to put in place a senior management structure that will ensure that services are delivered, and financial savings targets achieved.
- 1.10 Every council must appoint the statutory roles of Head of Paid Service, Monitoring Officer, Section 151 Officer (i.e. chief financial officer as per Section 151 of the Local Government Act 1972), Electoral Registration Officer and Returning Officer. These are Full Council appointments. The Joint Chief Executive has been appointed Head of Paid Service, Electoral Registration Officer and Returning Officer. The creation of the JMT will necessitate Full Council approval for the roles of Monitoring Officer and Section 151 Officer once the selection process has concluded.

- 1.11 Although the terms of reference provide that the JAC may “undertake and determine on behalf of the councils, all aspects of the process for the appointment of Joint Directors”, Local Government legislation (Section 40 of the Localism Act 2011) requires that any new senior appointment with a salary package of £100,000 or more requires full Council approval.
- 1.12 The JMT appointment process is being conducted in two phases, Directors and then Heads of Service and the first phase has been completed. A new JMT structure comprising of three Joint Strategic Directors and their proposed Heads of Service was consulted on with those employees in scope of the Joint Strategic Director roles, and this consultation period ended on 6 June. Expressions of interest for Joint Strategic Director roles were invited by 10 June and interviews were carried out by the JAC on 16 June. Subject to Full Council approval from both councils, the Joint Strategic Directors will be in post on 1 August.
- 1.13 Graeme Clark, one of the Waverley Strategic Directors, chose not to apply for any of the roles in the new structure. His current post will be deleted by the creation of the new structure. This means that he is now subject to a redundancy process.
- 1.14 The Joint Chief Executive and Joint Strategic Directors have further developed the Head of Service structure and a formal consultation period, with employees in scope, on the Head of Service roles began on 27 June. In August and September there will be an appointments process for the Head of Service roles. It is intended that these will be in post on 1 October. If there are any Head of Service vacancies the external recruitment to these posts will commence in October.

## **2. Recommendation**

- 1) In the light of the decision of Guildford and Waverley Borough Councils to form a Joint Management Team (JMT), the Council is asked to appoint to the roles of Joint Strategic Directors: Ian Doyle, Dawn Hudd and Annie Righton; and
- 2) The Council is asked to approve the amount of the redundancy payment to Mr Clark.

## **3. Reason for the recommendation**

- 3.1 To appoint permanent Joint Strategic Directors for Guildford and Waverley Borough Councils.
- 3.2 To approve the redundancy payment as per statutory guidance and in accordance with Waverley Borough Council Redundancy Payment Policy.

## **4. Background**

### **4.1 JMT structure**

The new JMT structure comprises of three Joint Strategic Directors and a number of Heads of Service. The Joint Strategic Director roles within the new JMT are

Joint Strategic Director (Community Wellbeing), Joint Strategic Director (Place) and Joint Strategic Director (Transformation and Governance).

#### 4.2 **The appointments process**

The Councils have recruited Joint Strategic Directors who will form part of the new JMT and the existing Director posts in both councils will be deleted during this process.

4.3 Consultation with the Directors ended on 6 June 2022 and the existing Directors were invited to express an interest in the roles by 10 June 2022. Claire Morris, GBC Director of Resources (s151 Officer) had resigned prior to the start of the consultation process to take up a senior role in another council and Graeme Clark chose not to apply for a Joint Strategic Director role. The roles had been ringfenced to the existing Directors to minimise the risk of redundancy and each candidate expressed their preferred choice of role.

4.4 The selection process consisted of the following steps:

- (a) Expression of interest and current copy of CV
- (b) Leadership Exercise
- (c) Presentation to the JAC and Joint Chief Executive followed by questions and answers
- (d) Competency based questions with the JAC and Joint Chief Executive

The JAC, supported by the Joint Chief Executive, assessed the applicants using the process above with interviews held on 16 June 2022.

4.5 The JAC recommended for appointment Ian Doyle as Joint Strategic Director (Transformation and Governance); Dawn Hudd as Joint Strategic Director (Place); and Annie Righton as Joint Strategic Director (Community Wellbeing),

4.6 Whilst Mr Clark chose not to be part of the new Joint Management Team structure, he agreed to act as Joint Section 151 Officer for Guildford and Waverley Borough Councils during his notice period (lasting until 30 September 2022). This appointment supports the transition from the current structure to the new joint structure.

### 5. **Relationship to the Corporate Strategy and Service Plan**

5.1 The Joint Strategic Directors will play a pivotal role in the delivery of Guildford and Waverley Borough Councils' aspirations set out in the respective Corporate Plan and Corporate Strategy. The appointments also reflect the next step in both councils' strategic aim of exploring shared opportunities with other local authorities for the benefit of local residents.

### 6. **Implications of decision**

#### 6.1 **Resource (Finance, procurement, staffing, IT)**

6.1.1 The savings associated with the appointment of the Joint Chief Executive were set out in the report to both Councils in July 2021. The report detailed that the annual full year budget savings to the Councils associated with the appointment of the Joint Chief Executive was £75,000 for Waverley and £90,000 for Guildford,

totalling £165,000 across the two councils.

- 6.1.2 This report details the arrangements proposed for the Joint Strategic Director level of the JMT only and does not consider the Head of Service level at this stage. The table below sets out the overall budget implication of the current Director structure at each council and the proposed Joint Strategic Director structure for the collaboration:

	Full year budget, £000		
	Guildford	Waverley	Total
Current annual cost of Directors	460	293	754
Proposed annual cost of JMT directors	256	224	480
<b>Proposed full year equivalent saving</b>	<b>-204</b>	<b>-70</b>	<b>-274</b>

- 6.1.3 The above table excludes the termination costs associated with new Joint Strategic Director structure which are set out in Appendix 2 (exempt from publication). Part of the saving will be required for investment in Business Support capacity to enable the Joint Strategic Directors and the wider JMT to be effective in their roles. The costs of this are not yet determined while this is being reviewed. The overall target for each council of £150,000 in 2022-23 from the whole JMT is expected to be achieved.
- 6.1.4 The combined total annual budget savings for the Joint Chief Executive and the Joint Directors (excluding investment in business support) is £439,000. The annual budget saving is split £294,000 for Guildford and £145,000 for Waverley. As such the savings target required from the restructure to a JMT for the collaboration is expected to be achieved in full once the restructure of the Head of Service level is complete. Once the restructure for the Head of Service level is complete, an analysis of the full savings between the general fund and the HRA for each council will be undertaken and reported.
- 6.1.5 Following benchmarking and external advice, the new Joint Director salary is £123,000 to be shared between the councils, from which the employee will pay tax, NI and pension contributions. Joint Directors will also be paid an allowance of £692.17 per annum for being part of the senior team emergency on-call rota for the Waverley area and Waverley services.
- 6.1.6 For the proposed redundancy payment the following statutory guidance applies: 'Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011 - Supplementary Guidance, February 2013 Department for Communities and Local Government'. This states:

*"13. Taken together, these measures enable greater scrutiny of the money spent by authorities on severance. However, given continuing public concern about the level and frequency of such payments, there is a case for going further to ensure that decisions to spend local taxpayers' money on large pay-offs are subject to appropriate levels of accountability. Authorities should, therefore, offer full council (or a meeting of members in the case of fire authorities) the opportunity to vote before large severance packages beyond a particular threshold are approved for*

*staff leaving the organisation. As with salaries on appointment, the Secretary of State considers that £100,000 is the right level for that threshold to be set.”*

- 6.1.7 The partnership working arrangement between the two Councils has required the creation of a Joint Management Team through the restructuring of both Councils. Both Councils have fully consulted with Unison and the affected staff and responded to the feedback with measures including making changes to the proposed structure. Each Council has followed their respective policies and processes in relation to Redundancy, Restructuring, Pay and Early Termination of Employment (Discretionary Payments).

## **6.2 Risk management**

- 6.2.1 The Collaboration Risk Assessment was approved by both Councils at their April 2022 meetings. It was also resolved to establish a Joint Governance Committee which will have responsibility for monitoring the risk register at regular intervals.

## **6.3 Legal**

- 6.3.1 The proposals in this report are compliant with the Council's constitution and statute.
- 6.3.2 The proposed termination payment is in accordance with the Councils' Pay Policy Statement and Redundancy Payment Policy and has been referred to the Council for approval in accordance with statutory guidance under section 40 of the Localism Act 2011. The Inter Authority Agreement provides that each authority shares a proportion of the termination costs. These are set out in exempt Annexe 2.

## **6.4 Equality, diversity and inclusion**

- 6.4.1 All public authorities are required by the Equality Act 2010 to specifically consider the likely impact of their policy, procedure or practice on certain groups in society.
- 6.4.2 It is our responsibility to ensure that our policies, procedures and service delivery do not discriminate, including indirectly, on any sector of society. Council policies, procedures and service delivery may have differential impacts on certain groups with protected characteristics, and these will be highlighted in the Equalities Impact Assessment (EqIA) screening. Likely differential impacts must be highlighted, and described, as some may be positive. Where likely significant adverse differential impacts are identified, consideration should be given to opportunities to reduce or mitigate this through a full equalities impact assessment.
- 6.4.3 An EqIA screening was carried out for the Joint Management Team restructuring activity. It was not considered necessary to carry out a full EqIA. As a result of assessment at this point, it is concluded that the restructuring activity will not have a negative impact on those with protected characteristics, neither does it reflect the potential for discrimination. The opportunity to foster greater equality and positive impacts for protected groups has been sought and incorporated within policies where appropriate. Accordingly, it is considered that the Council is

acting in accordance with the public sector equality duty contained in section 149 of the Equality Act 2010.

## **6.5 Climate emergency declaration**

6.5.1 The climate change emergency declaration and the urgent target for net zero carbon by 2030 is a critical objective for both councils. While no specific impacts on the climate emergency declaration have been identified as a consequence of this report's recommendations, the Council will be assessing and prioritising the environmental, climate and carbon impacts of any proposals that emerge. It may be noted that Waverley Borough Council, like Guildford, has declared a climate emergency and stated an ambition to "work towards making the Council's activities net-zero carbon by 2030"; potential synergies across the two councils can be explored as part of this project.

## **7. Consultation and engagement**

7.1 The consultation process is referred to earlier in the report.

## **8. Other options considered**

8.1 The proposal seeks to gain Council agreement to appoint to the three Joint Strategic Director posts.

8.2 The proposal also seeks to approve the redundancy payment for Graeme Clark with effect from 30 September 2022, half of which would be met by Guildford Borough Council under the terms of the Inter-Authority Agreement.

8.4 If these proposals were not agreed, the Council would expose itself to legal and contractual risks.

## **9. Governance journey**

9.1 Joint Appointments Committee – 16 June 2022  
Waverley Full Council – 19 July 2022

## **Annexes:**

Annexe 1 – Summary of Joint Strategic Directors CVs (Exempt)

Annexe 2 – Termination costs (Exempt)

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## **Background Papers**

There are / are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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