

Appendices: 0

Agenda Item 11



NORTHAMPTON
BOROUGH COUNCIL

COUNCIL

14th July 2014

Agenda Status: Public

Directorate: Housing

Report Title	Northampton Partnership Homes – Delegation Appointment of a Managing Director
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1. Purpose

The purpose of this report is to seek Council's approval for the appointment of a Managing Director for the Housing ALMO at a salary level of £100,000 or more and to seek delegated powers to make the appointment, agree associated recruitment processes and set the exact salary level for the role.

2. Recommendations

It is recommended that:

- 2.1 Council approves, in principle, the setting of the salary package for the ALMO Managing Director (or whatever Post description is finally agreed) in excess of £100,000.00 as required by the Council's pay policy
- 2.2 Council delegates the authority to the Head of Paid Service, in a consultation with the Leader of the Council in his capacity as the chair of the Appointment and Appeals committee:
 - I) The power to appoint to the ALMO Managing Director post and all associated activities such as agreeing the Job Description, Person Specification and Interview Process and
 - II) To determine the specific level of salary package for the ALMO Managing Director following the conclusion of an appropriate salary evaluation process.

3. Issues and Choices

3.1 Report Background

- 3.1.1 On 9th December 2013, the Council resolved to establish an Arms Length Management Organisation (“ALMO”) to manage the Council’s housing stock. This decision was made following recommendations of the Cabinet, informed by views of the Tenants’ Panel, the Employee Focus Group and the Housing Options Panel.
- 3.1.2 It was agreed by Council that the ALMO would be created as a true arm’s length managed organisation to ensure that it had sufficient autonomy to make improvements and decisions for the benefit of tenant services.
- 3.1.3 On 9th April 2014, Cabinet agreed that the legal form of the ALMO would be a company limited by guarantee. A company limited by guarantee called Northampton Partnership Homes has now been incorporated.
- 3.1.4 It is intended that the ALMO will commence delivery of housing services from 5th January 2015. In the meantime, an ALMO Shadow Board comprising tenants, Council nominees, independents and employees has been set up.
- 3.1.5 In order to progress the implementation of the ALMO, the Council now needs to recruit and appoint the most senior Officer for the ALMO. The exact title for the person is yet to be determined but is referred to in this report as the ALMO Managing Director. Initially, it is highly likely that the Managing Director, for technical reasons will be employed by the Council and seconded to the ALMO. It is anticipated that following the commencement of the delivery of services by the ALMO, the Managing Director will become an employee of the ALMO following the conclusion of the appropriate employment processes.

3.2 Appointment of ALMO Managing Director – Appointment process

- 3.2.1 The Appointment and Appeals Committee (which is a committee of the Full Council) is responsible for making appointments of Heads of Service and Chief Officers (other than the Chief Executive). The Appointment and Appeals Committee is also responsible for undertaking all associated activities such as agreeing job descriptions, person specifications and interview processes. Ordinarily, appointment of the ALMO Managing Director post would fall within the remit of the Appointment and Appeals Committee because of the seniority of the post.
- 3.2.2 However, in this situation, it is important that the Council works closely with the ALMO Shadow Board so that the appointment is “owned” by both the Council and the ALMO. Non Councillors cannot lawfully sit on the Appointment and Appeals Committee so in order to support a joint approach this report seeks Council’s approval to a reconfiguration of the normal constitutional appointments process.
- 3.2.3 It is proposed that a joint Panel consisting of the Chief Executive, as Head of Paid Service and Cabinet member for Housing in partnership with a sub-panel of the Shadow Board (chosen by ALMO Shadow Board) work together to develop the recruitment documentation, interview processes and interview the candidates for the role. However, it is proposed that the formal approval processes for the documentation and the actual person to be appointed are

through the Head of Paid Service in consultation with the Leader of the Council in his capacity as Chair of the Appointment and Appeals Committee.

3.3 Appointment of ALMO Managing Director – Salary Level

- 3.3.1 Prior to commencing a recruitment process, it will be necessary for the Council to carry out a formal process to evaluate what level the salary of the ALMO Managing Director should be set at. Human Resources and legal advice will be sought as required to support this process.
- 3.3.2 It is recommended that Council delegates the authority to the Head of Paid Service in consultation with the Leader of the Council to determine the specific level of the salary package for the ALMO Managing Director following the conclusion of an appropriate evaluation process.
- 3.3.3 Although, the specific salary level of the ALMO Managing Director has not yet been determined, it is estimated that the salary level of the Managing Director will need to be set at a level in excess of £100,000 per annum. This is due to the seniority of the post, its strategic importance, the specialist knowledge and expertise that will be required and the extensive nature of the duties and responsibilities that the post holder will be required to carry out.
- 3.3.4 The Council's Pay Policy Statement requires any salary packages of £100,000 or more to have Full Council approval. This requirement reflects the February 2012 statutory guidance, "*Openness and accountability in local pay*" that was issued by the Secretary of State for Communities and Local Government pursuant to provisions of the Localism Act 2011. (In this context, a salary package includes salary, any bonuses, fees or allowances routinely payable to the post holder and any benefits in kind to which they would be entitled as a result of their employment).
- 3.3.5 For the reasons set out in paragraph 3.3.3 above, it is therefore recommended that Council specifically approves the setting of a salary package for the ALMO Managing Director at a level in excess of £100,000.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 This report seeks compliance with the Council's extant Pay Policy document.

4.2 Resources and Risk

- 4.2.1 Outlined in the body of the report.

4.3 Legal

- 4.3.1 Outlined in the body of the report.

4.4 Equality

- 4.4.1 There are no adverse equality implications arising from this report.
Any recruitment process will be compliant with the Council's recruitment policies which do take account of and address equality issues.

4.5 Other Implications

- 4.5.1 None

5. Background Papers

None

**Francis Fernandes
Borough Secretary**