



Report Title. **Executive Restructuring**

Report of **Director of Corporate Resources**

Signed : *J. Parker* 3/2/11

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1. Purpose of the report (That is, the decision required)

- 1.1 To seek Trustees approval to the appointment of a new Chief Executive for the Trust as part of a staged approach to restructure the Trust and its operations and to consider interim arrangements.

2. Recommendations

It is recommended that Trustees:

- 2.1 Agree to the appointment of a Chief Executive to replace the position of General Manager within the Trust as part of a future plan to bring in one staffing structure for the Trust and APTL.
- 2.2 Agree to request the Council to amend the Council's Constitution so that the Trust may appoint its new Chief Executive in full accordance of The Local Authorities Standing Orders Regulations (S.I. 2001/3384) as explained in paragraph 4.6 below. This will entail a delegation by the Board to the Council's Chief Executive, in his "charity capacity", of powers to appoint, dismiss and discipline the Alexandra Palace & Park Chief Executive. These powers are to be exercised in consultation with the Board or its appointed Panel/Sub-Committee.

- 2.3 Agree to utilise the Council's framework to appoint Executive Recruitment Consultants to assist and support in the search and selection of suitable candidates. The contractual relationship to be with the Trust.
- 2.4 Agree to delegate to the Director of Corporate Resources, acting on behalf of the Council's Chief Executive in his "charity capacity", and in consultation with the Chair of the Board, the appointment of the Executive Recruitment Consultant and the finalisation of the interview process and the documentation required to commence and finalise the search and recruitment.
- 2.5 Agree to establish an Appointment Panel for the recruitment of the Chief Executive as detailed in 11.6 of this report.

3. Chief Financial Officer Comments:

- 3.1 The Trust needs to ensure that any additional costs associated with the recruitment exercise are contained within the Trust's budget for 2011/12.

4. Head of Legal Services Comments

- 4.1 The Alexandra Palace and Park Board and Trust are subject to the same statutory rules on staffing matters that apply to the rest of the Council. The Local Authorities Standing Orders Regulations (S.I. 2001/3384) require that the powers to appoint, dismiss and take disciplinary action in relation to officers below Deputy Chief Officer level must be delegated to, and exercised by, a senior officer nominated by the Council's Chief Executive rather than by a Member Committee/Sub-Committee. This does not prevent appeals by junior officers against dismissal or disciplinary action being heard by Member Appeal Panels.
- 4.2 For these purposes a "Chief Officer" is defined as an officer who is directly accountable, for all or most of their duties, to the Council's Chief Executive. A Deputy Chief Officer is one who is directly accountable, for all or most of their duties, to a Chief Officer. This definition excludes officers performing secretarial, clerical or support duties. The General Manager of the APP Charitable Trust reports directly to the Chief Executive, at present, and the post is therefore a Chief Officer one. All those officers reporting directly to the General Manager count as Deputy Chief Officers even if the grading and duties of those posts are less than is the case for DCO posts elsewhere within the Council
- 4.3 Under the Local Authorities Standing Orders Regulations, the appointment, dismissal and taking of disciplinary action in relation to Chief

Officers and Deputy Chief Officers can be undertaken either by other senior officers, for example the Chief Executive, or by a Member Committee/Sub-Committee. This is a matter for local choice except for the requirement in the Regulations that the appointment and dismissal of a Council's Chief Executive must be approved by the full Council.

4.4 Most Council Constitutions, including Haringey's, provide that Chief Officers and Deputy Chief Officers should be appointed, dismissed and disciplined by Member Panels operating under the Local Authorities Standing Orders Regulations. These Member Panels are called Part 4K Panels after the relevant Part of Haringey's Constitution. The Regulations require that at least one Cabinet Member shall be included in such a Panel.

4.5 In the case of the Alexandra Palace and Park Charitable Trust, the APPCT Board has within its terms of reference "acting as the employing body for employees engaged in the working of the Trust" and the "setting of staffing policies, conditions of service and terms of employment for those employees". In accordance with the advice of the Charity Commission, Cabinet Members do not sit on the APP Board. In the past the APP Board, or its urgency Panel, have taken decisions relating to the appointment and dismissal of the General Manager without Cabinet Member involvement.

4.6 In order to avoid the seeming conflict between the requirements of the Local Authorities Standing Orders Regulations on the one hand and the Charity Commission on the other hand, it would be possible to delegate to the Council's Chief Executive the formal powers to appoint, dismiss and discipline the General Manager (or AP&P Chief Executive as the post will be known). This action by the Council's Chief Executive could be guided by advice and recommendations from the Appointment Panel that is being recommended for establishment. The Council's Chief Executive will act in his "charity capacity" when taking these decisions, that is to say, the Chief Executive will act in the best interests of the charity above all other considerations.

4.7 The Appointment Panel would be a Sub-Committee of the APP Board with its membership drawn from the Board Members. The Sub-Committee would be subject to the "Political Balance" rules that apply to most other non-Cabinet bodies.

4.8 The new formal delegation of powers to the Council's Chief Executive would require amendments to the Council's Constitution to be adopted at full Council.

5. Consultation

5.1 The recommendations of the report have been the subject of initial consultation with the lead managers of the Trust and APTL.

5.2 Further consultation will take place with staff of both the Trust and APTL, unions and other stakeholders to coincide with the publication of this report.

5.3 More formal consultations will take place after the appointment of the Chief Executive when any further restructuring that may be appropriate is considered in more detail by the Board.

6. Trust Solicitor Comments

6.1 The Trust's solicitor's advice has been taken into account in the preparation of this report.

7. Local Government (Access to Information) Act 1985

N/A

8. Background

8.1 At the meeting of the Alexandra Palace and Park Board on 2nd March 2010 the Trust asked the officers of the Trust and the Council to draw up proposals for consideration of a permanent staffing arrangement at the Trust to a future meeting of the Board. This was to follow the work on governance and branding and in particular when the Trustees had made further decisions on the future strategic direction of the charity.

8.2 The Director of Corporate Resources has been leading on this work, in consultation with the principal officers and this report considers the way forward.

9. Context

9.1 The current staffing structure of Alexandra Palace and Park Charitable Trust (APPCT) was designed to meet the managerial and operational needs of APPCT when it was planned to grant a lease to Firoka.

9.2 The structure was established in May 2007. It does not recognise the current consideration of the future strategic direction of the Palace. As a result, this structure has some inbuilt inefficiencies, lacks cohesion at strategic and delivery levels, creates some unnecessary elements of competition, duplicates work and effort and can lead to slow decision making. The structure is not really fit for the current needs of both the Trust and APTL.

9.3 In the past ten months the Director of Corporate Resource has given considerable consideration to what is the most appropriate management and staffing structure for APPCT (and linked to that APTL) in a way that supports the long term future of the Trust and the recently approved new vision.

- 9.4 Over the next few months it is expected that the Trust will:
- Complete the new governance structure and standards
 - Continue the implementation of the new identity/branding
 - Maintain the momentum of the master planning process for the site
 - Managing any capital allocation for dilapidations while continuing to address compliance matters for the site
- 9.5 For APTL it is expected that over the forthcoming year it will:
- Building and consolidating its business position
 - Embedding a number of new staff appointments into the senior management team
 - Continue to build upon its profile to maximise commercial returns.
- 9.6 All these activities bring challenges for the existing management teams in the context of:
- Capacity and skills to manage capital projects
 - Capacity to support the options appraisal, feasibility and master regeneration planning process
 - A relatively low base of systems and processes from which they are starting
 - Back drop of tight financial circumstances for both the public sector and commercial clients
 - Managing priorities of the building fabric and raising income from events.
 - Managing the site utility infrastructure.

10. Future

- 10.1 Many of the weaknesses and inefficiencies of the current management arrangements would be addressed if there was one staffing structure covering both trust and company with one lead manager. The structure would need to be set up with a team of senior staff able to cover the many challenges of the building and park, be commercially driven to exploit the asset for revenue generation and also work on the execution of a master plan. This is with the overriding requirement to act in accordance with charity law and to discharge the charitable objectives of the Trust.
- 10.2 Assessments of possible single staffing structure have been examined and discussed with the Trustees and the Directors of APTL along with the Interim General Manager and Managing Director. It would seem appropriate that a phased approach be taken to any reorganisation with an appointment of a new Chief Executive in lieu of the General Manager post in the first instance.
- 10.3 The Palace needs to move on after the period of uncertainty and align all its developing strategies and restructure. It would be desirable that the new Chief Executive examines the resource requirements in the Autumn of this year and develops a plan to migrate to a single staffing structure to operate within the new governance structure and to meet the future strategic direction of the Trust.

10.4 The Charity Commission would be advised of any proposals by the Trust when they are informed of any changes to the governance arrangements.

11. Suggested Way Forward

11.1 It is suggested that a Chief Executive be recruited with a view of the appointment being made before the end of June 2011.

11.2 This would allow time for the Trust:

- Further update its governance structure
- Prepare to deliver that structure
- Give the company time to identify business opportunities that would be considered as part of the options appraisal
- Determine the likely staffing structure needed to support the new governance structure and that needed for the future options for the site and regeneration opportunities
- Focus on building on the current business activities

11.3 The interim management arrangements are covered in an exempt item attached to this report as Appendix A.

11.4 In recognising that this role will not be easy to fill and to progress the selection and interview process it would be appropriate to select support from an Executive Recruitment Consultant to assist in the search and selection of prospective candidates and to establish an Appointment Panel to act on behalf of the Board.

11.5 For the selection of the Executive Recruitment Consultant and to ensure that the procurement process follows good practice it is suggested that the Board utilises the Council's Framework for Executive Recruitment Consultants and that delegation is provided to the Director of Corporate Resources, acting on behalf of the Council's Chief Executive in his "charity capacity" to appoint a Consultant after a mini competition, in consultation with the Chair of the Board. It is expected that the costs involved will be circa £33,000.

11.6 It is recommended that the Membership of the Appointment Panel be any 5 Members of the Board with the Panel having a political composition of 3 majority party Members to 2 minority party Members with invited non-voting observers consisting of one Advisory/Statutory Advisory Board Trustee; the two Non-Executive Directors of APTL and the Director of Corporate Resources, as the representative of the Council's Chief Executive.

11.7 There are a number of processes and procedures that will be adopted over the next few months to guide the Panel to its decision and recommendation on a suitable candidate and whilst the Executive Recruitment Consultant appointed will assist its is considered pertinent for the final decisions on these arrangements to be delegated to the Director of Corporate Resources, acting on behalf of the Council's Chief Executive in his "charity capacity", and in

consultation with the Chair of the Board. This will also include the final remuneration package to be offered.

12. Financial Implications

- 12.1 The cost of the recruitment and any additional costs for the new position of Chief Executive will be budgeted for in 2011/12.

13. Recommendations

It is recommended that Trustees:

- 13.1 Agree to the appointment of a Chief Executive to replace the position of General Manager within the Trust as part of a future plan to bring in one staffing structure for the Trust and APTL.
- 13.2 Agree to request the Council to amend the Council's Constitution so that the Trust may appoint its new Chief Executive in full accordance of The Local Authorities Standing Orders Regulations (S.I. 2001/3384) as explained in paragraph 4.6 below. This will entail a delegation by the Board to the Council's Chief Executive, in his "charity capacity", of powers to appoint, dismiss and discipline the Alexandra Palace & Park Chief Executive. These powers are to be exercised in consultation with the Board or its appointed Panel/Sub-Committee.
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- 13.5 Agree to establish an Appointment Panel for the recruitment of the Chief Executive as detailed in 11.6 of this report.

Background Papers

Exempt Reports to the Board 30th June 2009 and 2 March 2010

V0.8 Final 03/02/11

