

TITLE: APPOINTMENT OF CHIEF EXECUTIVE
TO/ON: The Cabinet / 25th January 2006
BY: Head of Human Resources
PORTFOLIO HOLDER: Cabinet Member for Human Resources
STATUS: For Publication

1. PURPOSE OF THE REPORT

To make recommendations to Full Council about the appointment of a new Chief Executive.

2. RECOMMENDATIONS

That the Cabinet recommends that the Council:-

- 2.1. Forms an Appointment Committee consisting of the Leader of Council, Deputy Leader of Council, Cabinet Member for Human Resources, Chair of Overview & Scrutiny, Leader of the Labour Group, Chair of the Local Strategic Partnership and Head of Human Resources.
- 2.2. Establishes a budget of £45,000 for the cost of consultancy and advertising as set out in the report and delegates authority to the Appointment Committee to procure a package of consultancy support to assist them in the appointments process.
- 2.3. Delegates authority to the Appointment Committee to offer a salary package not exceeding £90,000 (plus nationally agreed cost of living increases) to a suitable candidate.
- 2.4. Approves the interim appointment of the Deputy Chief Executive, on an honorarium basis, as the Acting Chief Executive until a permanent appointment is made and the successful applicant takes up the position.
- 2.5. Requires the Acting Chief Executive to assume the role of returning officer and any other such responsibilities that come with the position of Chief Executive.

2.6. Keeps the position of Deputy Chief Executive vacant until a permanent Chief Executive is appointed and the successful applicant takes up the position.

3. REPORT AND REASONS FOR RECOMMENDATIONS AND TIMETABLE FOR IMPLEMENTATION

3.1 The Council's current Chief Executive, has submitted his resignation and his employment with the Council will finish at the end of February. The Council therefore needs to move quickly in order to appoint a successor. In doing so, the following factors need to be addressed:

- Provision of external advice
- Establishing budgets
- Consideration of remuneration package

3.2 External Advice

3.2.1 The protocol that has to be followed for appointing a Chief Executive (or Head of Paid Service) is set out in the constitution. A Committee is to be formed and membership must include at least one Member of the Cabinet.

3.2.2 The constitution also specifies that the proper officer to advise the Committee during the appointment process should be the Head of Human Resources.

3.2.3 On previous occasions when the Council has appointed Chief Officers external advice has been obtained. The appointment of the Chief Executive is a major investment in the Borough's future. It is vital to secure the best advice available for such a decision. The use of consultants is becoming increasingly commonplace for the appointment of senior executives in local government. The type of candidate that the Council is hoping to attract would expect the Council to adopt such an approach.

3.2.4 There is a very high turnover of Chief Executive posts at the moment. In the past two months 8 Shire District Councils have advertised for a new Chief Executive or equivalent.

3.2.5 It is recommended that the following organisations, which are all acknowledged specialists in the field, be invited to submit proposals for how the appointment process should be managed:

- Hays Executive
- Tribal Resourcing
- North West Employers
- Solace
- Veredus
- Gatenby Sanderson
- Penna Recruitment

It is proposed that the Committee be granted delegated authority to decide on the range of services that should be provided and the most appropriate provider.

3.3 Establishing Budgets

3.3.1 A specific budget needs to be established for this project. As well as the costs of consulting advice, the budget needs to be sufficient to cover the cost of advertising the post. Clearly the consultants will offer advice on this but it is likely to involve at least one of the national newspapers as well as specialist local government media.

3.3.2 Informal benchmarks would tend to indicate that an appropriate budget for this approach would be £45,000. In the region of £25,000 would be spent on advertising the post, the remaining amount would be spent on consultancy fees. Clearly the extent to which this budget is actually required would depend on the decisions that the Committee take. However, it is important to create the conditions whereby the Committee can act promptly without the need to refer their decisions back for ratification or further approval.

3.4 Remuneration Package

3.4.1 Current benchmarking with the salary package that has been offered in recent advertisements for similar posts shows that the present market conditions would indicate a salary in excess of this figure. It is therefore suggested that the Appointments Committee be granted delegated authority to offer a salary package that does not exceed £90,000. This may involve the Committee having some flexibility in negotiations.

3.4.2 Under the constitution, the appointment of a new Chief Executive is subject to the approval of Full Council following the recommendation of the Appointments Committee. Approval of the final remuneration pack by the Council can therefore take place at this stage.

3.5 Timetable

3.6 Subject to member approval we are targeting to start the recruitment process towards the end of January with the aim of a full appointment as soon as possible.

4. CORPORATE IMPROVEMENT PRIORITIES

4.1. The appointment of an effective Chief Executive is an essential requirement if the Council is to achieve the outcomes set out for the Corporate Improvement Plan.

4.2. The financial requirements for this recruitment have already been factored into the Council's financial planning framework for 2006/2007 and the savings generated as a result of not backfilling the Deputy Chief Executive post will be used to offset part of the recruitment costs.

5. RISK

- 5.1. There are significant risks to the Council if it fails to recruit an effective Chief Executive in terms of delivery and successful implementation of the Council's Improvement agenda.
- 5.2. If a suitable candidate is not identified it is recommended that the Council continues with its interim arrangements and asks the Appointment Committee to reconvene and make further recommendations to the Council.

6. LEGAL IMPLICATIONS ARISING FROM THE REPORT

- 6.1. The Constitution sets a minimum requirement of "*A Committee is to be formed and membership must include at least one Member of the Cabinet.*" It is recommended that the Cabinet widens representation on the Appointment Committee to incorporate two other members of the Cabinet together with the Chair of Overview & Scrutiny, the Leader and Deputy Leader of the Labour Group and the Chair of the Local Strategic Partnership.
- 6.2. This approach is recommended to ensure that the wider Elected Membership together with our key External Partners have the ability to influence the recruitment of this key appointment.

7. EQUALITIES ISSUES ARISING FROM THE REPORT

- 7.1. The Council's Equal Opportunity policy will form a central part of the recruitment and selection process.

8. WARDS AFFECTED

- 8.1. All.

9. CONSULTATIONS

- 9.1. Leader of Council, Chief Executive, Office of the Deputy Prime Minister, Audit Commission.

For further information on the details of this report, please contact:
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