



Full Council
24 June 2013

Report of the Director of Legal and Procurement

For Action/Information

Wards affected:
ALL

Appointment of Permanent Chief Executive

1.0 Summary

1.1 This report concerns the proposed timescale for the appointment to the Chief Executive post and consequential interim arrangements.

2.0 Recommendations

2.1 Full Council is asked to agree to the proposed timescale for the recruitment to the permanent Chief Executive role; and

2.2 that the interim Chief Executive continues in post, as set out in the body of this report, until that permanent appointment is made.

3.0 Detail

3.1 Council will be aware that the previous permanent Chief Executive left the Council in September 2012. Interim arrangements were immediately made to ensure that the duties and responsibilities of the Chief Executive and the Head of Paid Service were discharged. The current interim arrangements end in July 2013. Since this agreement was entered into, there has been significant organisational change, most importantly and most recently, the review of the broad senior management structure within the Council. Additionally, work is in train to meet the challenging budget reductions required in coming years which require immediate action to ensure savings are realised at the appropriate time.

3.2 In light of the current interim arrangements expiring in July 2013, it was necessary to consider appointing to the permanent post and a contract was let to Gatenby Sanderson to recruit to all the Council's senior vacancies, including to the post of Chief Executive. Advice was taken from them and

also from other recruitment consultants in the sector. As a result of these discussions, a number of operational and strategic considerations have emerged.

- 3.3 At this point in time, the potential market for suitable candidates is not at the optimum level to proceed to a permanent appointment. A large part of the reason for this is that currently three Chief Executive roles are being advertised within London Boroughs. The three roles currently being advertised are in neighbouring boroughs namely, Barnet and Westminster and a joint chief executive appointment across Hammersmith & Fulham and the Royal Borough of Kensington & Chelsea. The recruitment processes for all three posts are already under way and potential candidates will be focusing on those roles and the best candidates are likely to be appointed. A delay in the recruitment to the permanent Chief Executive's role would result in a better field of candidates and therefore, a more successful appointment to the permanent role.
- 3.4 In considering this advice, further advantages were identified in not proceeding to a permanent appointment at this point in time.
- 3.5 Council will be aware that the current interim Chief Executive has initiated a review of the senior management within the Council spanning the top tiers of management within the organisation. This process is still continuing and represents a key corporate objective to achieve improved service delivery and significant budget reductions. There would be obvious practical benefits if the current interim Chief Executive were to continue in post to ensure successful implementation. It is also important to ensure that continuity is provided at the top of the officer structure at a time when there is significant change.
- 3.6 Further, the Council has been advised by its recruitment consultants that it is important for candidates applying for senior posts within the Council, at Corporate Management Team (CMT), Operational Director and Head of Service levels, to know that there will be medium term continuity in terms of the Chief Executive. Candidates are likely to be dis-incentivised in applying for a senior role within the Council if there is uncertainty around the identity of Chief Executive. Extending the existing interim arrangements for an identified period of time would provide the stability candidates would be seeking.
- 3.7 There are benefits to the Council in continuing the current interim Chief Executive's arrangements in terms of delivering the broader budget reductions, some of which are under preparation and some are currently being delivered. Clearly, the current preparations for budget reduction will entail the delivery of significant and substantial projects in order to achieve the required savings. The interim Chief Executive would be best placed to ensure there is continuity in overseeing the current arrangements to achieve those business critical savings.
- 3.8 With the move to the new Civic Centre now underway and with its new ways of working, continuity and stability at the most senior level will support smooth transition to the new environment.

- 3.9 Council will be aware that there will be an election in the Borough in May 2014 when all Council seats will be up for election and this is clearly an important matter for the authority not only in terms of operational management but also in relation to reputation management. The continuance of the current interim arrangements will ensure that the overall planning and management for that election can be organised and properly overseen by an interim Chief Executive who has developed a full understanding of the organisation.
- 3.10 Taking these factors into account and taking a strategic view in relation to the optimum time to commence the permanent recruitment process, it is proposed that recruitment for a permanent Chief Executive commences after the May 2014 elections and that the current interim arrangements continue until a permanent appointment has been made and the individual is in post. This approach is fully supported by the Executive.
- 3.11 The proposals contained in the report will result in a fixed term appointment being made in accordance with the salary levels already agreed by Council for the Chief Executive.

4.0 Financial Implications

- 4.1 The pay policy agreed by Council in March 2013 showed a reduction on the salary of the Chief Executive compared with previous arrangements. The interim Chief Executive will be paid on the Hay 1 scale.
- 4.2 The report also points to the support for achieving overall Council budget reductions if continuity is maintained at a time of downsizing.

5.0 Legal Implications

- 5.1 Standing Order 77 of the Council's Constitution sets out the position regarding the permanent appointment of senior officers, including the post of Chief Executive. The Standing Orders reflect the requirements set out in the Local Authorities (Standing Orders) (England) Regulations 2001. Members are advised that an appropriate and proportionate process for the interim arrangements proposed in this report is a decision by Full Council.

6.0 Diversity Implications

- 6.1 There are not any specific diversity implications.

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 The body of this report relates to staffing matters.

Background Papers

Report to Council 25/2/13 re Localism Act 2011 pay policy statement

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