

<b>Meeting:</b>	<b>Employment panel</b>
<b>Meeting date:</b>	<b>Tuesday 27 October 2020</b>
<b>Title of report:</b>	<b>Chief Executive Recruitment</b>
<b>Report by:</b>	<b>Assistant Director, People</b>

## **Classification**

Open

## **Decision type**

This is not an executive decision

## **Wards affected**

All wards

## **Purpose**

To approve the role profile and recruitment plan for the post of chief executive. To discuss the remuneration for the post and if any changes to the current salary package are recommended to make those recommendations to full council.

## **Recommendation(s)**

**That:**

- (a) Recruitment for the post of chief executive is initiated in line with the estimated timescales set out in 5 below**
- (b) The Employment panel approve the role profile in appendix A**
- (c) The Employment panel endorses the recruitment plan and delegates long listing to the Assistant Director, People**
- (d) The Employment panel considers the remuneration for the post of chief executive and if the panel wish to make any changes to the salary package, the panel makes a recommendation to council.**

## Alternative options

1. Not to recruit a substantive chief executive at this time and instead retain the current acting arrangements of having two acting deputy chief executive roles for an extended period of time. This option is not recommended because the current arrangements are designed to be a temporary holding position and it is important the council has consistent and effective strategic leadership in place.
2. To consider alternative models of leadership for the council. Whilst most local authorities appoint a chief executive it is not a statutory requirement to do so. It is a statutory requirement to designate one post holder as the head of paid service and whilst this is usually the chief executive, it doesn't have to be.

There are examples in other councils where alternative models of leadership have been put in place. These include rotating the role of chief executive between some or all of the directors, appointing a managing director or having no chief executive at all.

The vast majority of local authorities that have implemented alternative models have done so without success and have reverted to a chief executive model at the first opportunity. Notwithstanding the experiences of other local authorities, a fundamental change to the leadership model in Herefordshire would be costly, time consuming and potentially destabilising at a time when effective and consistent leadership is critical. The above options for replacing a traditional chief executive role are therefore not recommended.

## Key considerations

3. The council's chief executive will be retiring in early 2021 and in accordance with the council's constitution, the employment panel is responsible for making a new appointment.
4. The chief executive is a critical role for the council and to ensure that the right candidate is found it is recommended that a special employment agency with the necessary skills, networks and resources to 'head hunt' a field of qualified candidates is engaged to undertake the search. The agency will be procured in line with the council's contract procedure rules through the council's procurement portal.
5. It is proposed that employment panel delegates the longlisting for this role to the Assistant Director, People in conjunction with the specialist agency. Employment panel will undertake shortlisting and final selection and a proposed timeframe in which an appointment can be made is below.

Date	Action	By Whom
w/c 2 November	Select and brief agency	AD People - select agency AD People & Leader - brief agency
9- 30 November	Candidate search	Agency
w/c 7 December	Longlisting	AD People and agency
w/c 14 December	Shortlisting	Employment Panel
w/c 4 January	Selection process	Employment Panel
w/c 11 January	Approval of Employment Panel's recommended candidate	Full council

6. The remuneration for this post is currently set at £155,022 and this salary has been approved by full council in the pay policy statement in February 2020. In accordance with the Localism Act 2011 and the council's constitution, any new salary packages over £100,000 must be agreed by full council. Employment panel are free to keep the salary package the same as it is now or to recommend an alternative salary package to full council if they deem it appropriate to do so.
7. It is usual for the head of paid service to be the chief executive and this report assumes that this will continue to be the case. The Council also needs to nominate a returning officer for local and parliamentary elections and again not mandatory, the report assumes that the chief executive will fulfil these. These roles can attract separate fees, which have been taken into account in determining the overall remuneration package recommended for the role.
8. To support employment panel in their considerations, a salary benchmarking exercise has been undertaken on behalf of the council by West Midlands Employers. For benchmarking purposes equivalent county councils have been considered as equivalent in service provision and structure. There are 15 equivalent county councils and in summary that pay benchmarking exercise found:
  - The mean average of salaries within the group is £167,451 and the median is £180,000
  - The current salary for Herefordshire Council's chief executive is in the lower quartile.
  - The relative size of Herefordshire council in terms of headcount and budget is also in the lower quartile.
  - The recommendation of the pay benchmarking is therefore that the current salary is proportionate and appropriate.

- However, Herefordshire Council's chief executive is also undertakes shareholder responsibilities for Hoople Ltd on behalf of the council. This function was found to be unique among the benchmarked organisations and therefore no account for this has been made in the recommended salary.

## **Community impact**

9. In accordance with the adopted code of corporate governance, Herefordshire Council needs appropriate structures and leadership, as well as people with the right skills, qualifications and mind-set, to operate efficiently and effectively. The council is accountable for how it uses the resources under its stewardship, including accountability for outputs and outcomes achieved. In addition the council has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies.
10. The post holder provides strategic leadership to council services and has a key leadership role in Herefordshire, regionally and nationally. Without effective leadership, outcomes for communities and individuals in Herefordshire could be adversely affected.

## **Environmental Impact**

11. The chief executive has overall responsibility for the delivery of the county plan and corporate delivery plan and the inherent environmental objectives and outcomes within these plans.

## **Equality duty**

12. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
13. The council's policies in relation to job evaluation and recruitment and selection pay full regard to the council's responsibilities as set out in the public sector equality duty.

## **Resource implications**

14. The establishment budget is available for this post and any appointment will be made within this budget.
15. The gross salary for this post is currently £155,022, and notwithstanding the employment panel's right to recommend an alternative salary package to full council, the salary costs will be met from within the exiting directorate revenue budget.

16. The additional costs for recruiting to the post are estimated to be £25,000 and this cost will be met from within the directorate's existing budget.
17. The financial estimates below are based on the assumption that a new appointee will need to give notice to their current employer and will not be available to start with Herefordshire until April 2021. At the time of writing this report it is not known what salary package employment panel will recommend and for the purpose of completing the table below it is assumed the salary package will be unchanged.

Revenue budget implications	2020/21	2021/22	Future Years	Total
	£000	£000	£000	£000
Salary	0	155	155	310
Specialist recruitment agency	25	0	0	25
<b>TOTAL</b>	<b>25</b>	<b>155</b>	<b>155</b>	<b>335</b>

## Legal implications

18. The council is required by the Local Government and Housing Act 1989 to appoint one of its officers as head of paid service. It is usual, although not mandatory for the head of paid service to be the chief executive and the report assumes that this will continue to be the case.
19. The council also needs to nominate a returning officer for local and parliamentary elections and while this is again not mandatory, the report assumes that the chief executive will fulfil this roles.
20. The council must comply with the provisions of s40 of the Localism Act 2011 in relation to pay and any new salary packages above £100,000 , which must be recommended to full council for approval.
21. In accordance with the council's constitution part 4 section 9, an offer of appointment for the post of chief executive and head of paid service, cannot be made until the appointment has first been approved by full council.

## Risk management

22.

Risk / opportunity	Mitigation
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The council will not be able to recruit a new chief executive.

This risk has been mitigated by proposing a specialist recruitment agency is engaged to undertake a national search for the right candidate.

## **Consultees**

23. None

## **Appendices**

Appendix A – Draft chief executive role profile

## **Background papers**

None