

Council

20 July 2017



Title	Interim arrangements following the retirement of the Chief Executive		
Purpose of the report	To make a decision		
Report Author	Michael Graham, Head of Corporate Governance		
Cabinet Member	Councillor Ian Harvey	Confidential	No
Corporate Priority	This matter is not in the Corporate Plan but still requires a Council decision		
Recommendations	<p>Council resolves as follows:</p> <ol style="list-style-type: none">1. Note the anticipated timelines for the recruitment of the permanent Chief Executive / Head of the Paid Service.2. Appoint Terry Collier and Lee O'Neil as Joint Acting Chief Executives with effect from 8 September 2017 until a new permanent Chief Executive is in post.3. Appoint Lee O'Neil as Acting Head of Paid Service with effect from 8 September 2017 until a new permanent Chief Executive is in post.4. Appoint Michael Graham as Interim Electoral Registration Officer / Interim Returning Officer with effect from 8 September 2017 until a new permanent Chief Executive is in post.5. Delegate authority to the Leader to make any consequential pay decisions in relation to the temporary arrangements described in this report.		
Reason for Recommendation	To ensure there is no period during the recruitment and appointment of the new Chief Executive where the Council is without the statutory officers it needs to perform its functions lawfully.		

Background

1. Members will recall from the April 2017 Council meeting, that our current Chief Executive, Roberto Tambini, has announced his retirement with effect from 8 September 2017.
2. There is a statutory duty on the Council under the Local Government and Housing Act 1989 for the Council to designate one of its officers as the Head of the Paid Service. In most instances the Head of the Paid Service is the Chief Executive. The Council therefore needs to make arrangements for a new appointment.

3. The Leader has considered whether to conduct the recruitment in-house or through a specialist agency. Proposals were sought from four specialist consultancies who have experience in recruiting to the local government sector and private sector.
4. Given the crucial nature of the appointment and the need to provide access to a diverse applicant pool including a requirement to seek a Chief Executive with more commercial skills, the Appointments Committee has appointed Norman Broadbent Ltd to conduct a full search and selection exercise. Norman Broadbent Ltd are an independent recruitment company with specialist experience in recruiting to senior appointments in both the public and private sectors.
5. In conjunction with the Leader, the Chief Executive and the Monitoring Officer, Norman Broadbent have prepared a job description and person specification for the role. The Council's Corporate Plan and other documentation has been assembled to inform and attract applicants with the appropriate qualifications and experience. This information is held on a microsite which can be accessed on the internet following [this link](#).
6. For ease of reference the job description and person specification are attached as an Appendix to this report.
7. Applicants to be longlisted and shortlisted will be agreed by a politically balanced Appointments Committee in conjunction with professional advice from both Norman Broadbent Ltd, the Chief Executive, and the HR team. The Appointments Committee will then conduct the final assessment of shortlisted candidates and will propose the formal appointment to Council.
8. It is anticipated that the formal appointment will be put before an Extraordinary Council to be held as soon as is practicable.
9. The Members of the Appointments Committee are:
10. Cllr Ian Harvey (Leader), Cllr Tony Harman (Deputy Leader), Cllr Mrs Jean Pinkerton (Deputy Mayor), Cllr Colin Barnard (Cabinet Member) and Cllr Mrs Denise Saliagopoulos (Leader of the Opposition). In addition, the Appointments Committee has co-opted former Councillor and Leader, Mr Gerry Ceaser, now a Freeman of the Borough, to bring his long experience of Chief Executive appointments to this process. Mr Ceaser is a non-voting, advisory member of the Appointments Committee.
11. Council is asked to note the anticipated timeline in the recruitment process. As the process runs over the summer period, the process anticipates that many of the candidates may have existing holiday plans and we will need to be flexible to work around these:
 - Longlist to be provided by Norman Broadbent Ltd – end of June 2017
 - Initial interviews with the Chief Executive and Leader – July 2017
 - Assessment day 1 – presentations to wider groups of stakeholders - August / September 2017
 - Informal meetings with minority groups and ward councillors – August / September 2017
 - Assessment day 2- final interviews with Appointments Committee: August / September 2017

- Cabinet confirmation of approval (i.e. there is no well-founded objection from a member of the Cabinet) - prior to Extraordinary Council.
 - Extraordinary Council – to be as soon as practicable
12. Council should note that all those involved with the process are expediting matters as quickly as possible to shorten this timescale as much as possible without sacrificing the overall objective of making the right appointment for Spelthorne. If this timetable can be shortened it will be.

Interim arrangements

13. Due to the timelines stated above and given that it is likely that any new appointee will be subject to a notice period (likely to be around 3-6 months). In the circumstances Council is invited to make interim arrangements as follows:
14. To appoint Terry Collier and Lee O'Neil as the Joint Acting Chief Executives effect from 8 September 2017 to the date on which the new permanent Chief Executive takes up his/her post.
15. The appointment of the two current Deputy Chief Executives as Joint Acting Chief Executives would ensure stability to the organisation during a period of change accompanied by significant work pressures and projects from the Council's ambitious Corporate Plan and investment activity.
16. By virtue of section 4 of the Local Government and Housing Act 1989, the Council must appoint a Head of Paid Service. Usually the Chief Executive is the Head of Paid Service. The legislation provides that the Council must, "designate one of their officers as the head of their paid service". Given the suggestion in this report that the current deputies act in the interim as Joint Chief Executives, it will be necessary to designate one of them as the statutory Head of Paid Service. Since Terry Collier is already the statutory Chief Finance Officer (s151 Officer), it is better in governance terms for the head of paid service role to be held by another officer, which in this case would be Lee O'Neil. This means that the three statutory officer roles will be held by different officers during the interim period.
17. There is also a need for an interim arrangement to be made as regard elections duties. These are separate from the Chief Executive and Head of Paid Service positions. There are two positions which need to be filled so that powers can be exercised in the interim are: Electoral Registration Officer and Returning Officer. It is proposed that the Head of Corporate Governance exercises these roles in the interim.

Legal Implications

18. The process for recruiting a new Chief Executive is in accordance with the Council's Constitution. A suitable candidate will be sought through selecting a shortlist for interview and conducting the assessment of appropriate candidates. This process is delegated to a politically balanced Appointments Committee.
19. The appointment must be approved by Council before a formal offer of appointment is made to the preferred candidate. Council must make the appointment in the absence of any well founded objection from a member of the Cabinet.

20. Each local authority has a duty, under the Local Government and Housing Act 1989, to appoint a Head of Paid service. If the Council does not agree the proposed interim appointments suggested in this report a special Council meeting must be convened prior to the departure of the current Chief Executive to consider an alternative. Similarly, each local authority is required, under the provisions of the Representation of the People Act 1983, to appoint a Registration Officer and a Returning Officer.
21. The Monitoring Officer is satisfied that all relevant legal implications have been taken into consideration.

Financial Implications

22. The Joint Acting Chief Executive appointments will be made subject to the Council's existing payscale for the Chief Executive position ranging from £103,720 to £116,940. The appointments will be made at the bottom of the scale and in the unlikely event that the interim arrangements continue beyond April 2018 this would be subject to our normal pay policy arrangements. This includes annual incremental increase (subject to performance review) and any cost of living awards annually approved by the Council as part of the budget and staff salary review process. The Joint Acting Chief Executives will share the increase in salary reflecting the shared nature of the role, noting that the current Deputy Chief Executives are on different pay points due to length of service, it is proposed that the Leader is given a delegation to make a decision based on this principle.
23. With on-costs this additional cost is likely to be about £ 1725 per month.
24. The Head of Corporate Governance will be awarded an acting up allowance equivalent to two spinal column points on the payscale. This would amount to £427.7 per month inclusive of on-costs Returning Officer payments are only made as and when elections are held and vary according to the election.
25. The successful (permanent) applicant will be employed by the Council on a salary up to £135,000 per annum. This additional salary would therefore be paid as either a spot salary outside the current grade structure or a market supplement in consideration of the typical Chief Executive salary ranges required. This consideration is based on information regarding recent comparable appointments and advice from Norman Broadbent Ltd about the salary needed to attract an appropriately experienced applicant. (Members should note that market supplements are temporary payments (for up to 3 years) and are not pensionable. They are paid in addition to normal salary as a separate payment and are not part of basic salary).
26. The overall salary package is a matter to be settled by the Leader on the provisional appointment of the successful candidate.
27. The Council can offer a relocation allowance if the successful applicant is required to relocate to take up the position. Again the Leader will agree what is appropriate in all the circumstances.
28. There are a number of consequences from this increase in salary which ought to be drawn to members' attention at an early stage.
29. First, the salary grade for the Chief Executive is linked as a proportion (80%) to the grades of the Deputy Chief Executives. Extending the salary range to £135,000 would have the effect of increasing this salary range from the current top end of £93,551 to £108,000 This means that there would be an

overall increase in the salary budget at this level which equates to growth as follows:

30. Chief Executive – depending on grade appointed and terms of any relocation assistance provided
31. Deputy Chief Executives - overall increase in salary of up to a maximum of £14,449 per annum for each post based on the top of the scale. (If paid as a market supplement this does not have a knock on effect in relation to other internal grades and relativities. For example, the DCX grade would not have to be increased.)
32. In addition, the Council's pay policy describes the ratio between the Chief executive and the lowest paid members of staff. The implication here is that the ratio would increase slightly from 1:7 to 1:8
33. In addition, the costs of undertaking this recruitment exercise with Norman Broadbent Ltd have been capped at £25,000 plus disbursements (advertising etc).

Other considerations

34. Equalities. The method by which the search and selection process will be undertaken takes account of equalities implications arising from the Equalities Act 2010.
35. Equalities implications have also been addressed in the method by which the Acting Joint Chief Executives have been selected.
36. Post appointment of new Chief Executive. The Council will be entering into 'acting up' arrangements with the Joint Acting Chief Executives who will then revert to their substantive posts once the new permanent appointment takes effect. The Joint Acting Chief Executives will continue to discharge their current duties and responsibilities in relation to their substantive role during this period.
37. There are no employment implications arising from the arrangements for the interim Electoral Registration Officer / Interim Returning Officer.

Background papers: There are none

Appendices:

- 1. Briefing Pack with Job Description and Person Specification**