

Agenda item 3

Report to the Committee to Determine the Terms & Conditions of Employment of Chief and Deputy Chief Officers	CO/01/15
Date of Meeting: 21 st April 2015	County Divisions affected by the decision: None
Title of report: Recruitment of Chief Executive and Interim Appointment of Head of Paid Service	
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1. Purpose of report

- 1.1. The purpose of this report is to seek agreement from the committee to the process and timetable for recruitment of a new Chief Executive in light of the forthcoming departure of Joanna Killian, the current Chief Executive of Essex County Council.
- 1.2. The report also asks the committee to recommend to Full Council the appointment of an interim Head of Paid Service and a deputy Head of Paid Service from amongst the members of the Council's Corporate Management Board.

2. Recommendations

- 2.1. To express thanks to Joanna Killian, Chief Executive of ECC, for her dedication to and leadership of ECC over the past nine years and to wish her well in her future career.
- 2.2. To note the recruitment process and timeline for the role of Chief Executive for ECC as indicated in this report.
- 2.3. To note the draft role profile for the position (to follow) and to note that the final text for the role profile will be agreed by the Leader of the Council.

- 2.4. To appoint, from amongst the firms who have expressed an interest for this recruitment campaign, an executive recruitment consultancy to assist the Council in the recruitment of a new Chief Executive for ECC (further details to follow).
- 2.5. To agree that a member panel comprising the following elected members be established for the purpose of conducting the final member level interviews:
- Leader of the Council (Councillor David Finch)
 - Deputy Leader of the Council (Councillor Kevin Bentley)
 - Cabinet Member for Children and Families (Councillor Dick Madden)
 - Leader of the Labour Group (Councillor Julie Young)
 - Leader of the Lib Dem Group (Councillor Mike Mackrory)
- 2.6. To note that it is unlikely that the salary for the Chief Executive post will be any higher than the current Chief Executive's salary, which is reflected in the Councils Pay Policy Statement approved by the Council at its meeting in March 2015, but will be subject to advice from our consultants and subject to negotiation with the successful candidate dependent on skills and experience.
- 2.7. To note that the recruitment will be for a permanent or fixed term position, depending on the advice received from the Councils consultants.
- 2.8. To recommend to Full Council that the following members of CMB be appointed to act as interim Head of Paid Service for a period of three months each, on a rotational basis, until such time as the new Chief Executive assumes his or her position:
- Margaret Lee, Executive Director for Corporate and Customer Services
 - Dave Hill, Executive Director for People Commissioning
 - Keir Lynch, Executive Director for Strategy, Transformation and Commissioning Support
 - Sonia Davidson-Grant, Executive Director for Place Commissioning
- 2.9. To note that Margaret Lee's appointment will commence the day after Joanna Killian's departure and will run for slightly more than three months until the end of August.
- 2.10. To note that the person whose name next appears on the rota will act as the deputy Head of Paid Service, who will act in the absence of the Head of Paid Service or at any time during which he or she is unable to act for any reason including, for example, conflict of interests.
- 2.11. To agree to establish a separate member panel to deal with the appointment of an interim Executive Director for Place Operations (for a period of 6 to 18 months) comprising the following elected members:
- Cabinet Member for Economic Growth, Infrastructure, Waste and Recycling (Councillor Kevin Bentley)

- Cabinet Member for Libraries, Communities and Planning (Councillor Roger Hirst)
 - Cabinet Member for Education and Lifelong Learning (Councillor Ray Gooding)
 - Leader of the Labour Group (Councillor Julie Young)
 - Leader of the Lib Dem Group (Councillor Mike Mackrory)
- 2.12. To note that the Monitoring Officer will submit a report to Full Council in May seeking approval of a number of constitutional changes required as a result of the interim Head of Paid Service arrangements.

3. Background and proposal

- 3.1. The Council's Chief Executive has given notice of her resignation from ECC following her successful appointment to a partner role with consultancy firm, KPMG. The Council plans to recruit to the position of Chief Executive forthwith.
- 3.2. A number of executive recruitment companies have been invited to express an interest in assisting the Council in this recruitment campaign and interviews will be taking place the week before the date of this committee meeting. Feedback on the evaluation process and a recommendation on the preferred company will therefore be given at the meeting itself.
- 3.3. The recruitment companies all have a wealth of experience helping local authorities and other public bodies recruit to their senior executive positions. Their knowledge of the current market and strategies for selecting the best calibre candidates will be invaluable.
- 3.4. Once the recruitment company has been appointed an informal search campaign will start. Advertisements will be placed from 7th May in accordance with the Council's Employment Procedure Rules, as described in the Constitution. The deadline for applications will be set in line with advice from our appointed recruitment consultants and in consultation with the Leader of the Council.
- 3.5. A selection process, which will involve interviews and assessments, will be conducted from May to July with final member interviews of shortlisted candidates taking place at the end of July. The member panel will have the benefit of advice from the appointed consultants and from our HR team. The panel will comprise:
- Leader of the Council (Councillor David Finch)
 - Deputy Leader of the Council (Councillor Kevin Bentley)
 - Cabinet Member for Children and Families (Councillor Dick Madden)
 - Leader of the Labour Group (Councillor Julie Young)
 - Leader of the Lib Dem Group (Councillor Mike Mackrory)

- 3.6. Following the member panel, all Cabinet members will be asked whether they have any objection to the appointment. This is a statutory requirement.
- 3.7. A recommendation will then be made to Full Council on the appointment.
- 3.8. The salary for the current Chief Executive is £210K and it is unlikely that the salary for the incoming post holder will be any higher than this. This figure is reflected in the Councils Pay Policy Statement approved by the Council at its meeting in March 2015. The Council's pay and reward specialist within the HR team will collate information about the salaries of CEO's across other local authorities of a similar size and budget and in other comparable organisations. The consultants will also provide benchmarking information to the Council on salaries in the wider public and private sectors. Actual salary will be subject to negotiation and will be dependent on skills and experience.
- 3.9. The recruitment process could take up to 8 to 10 months, depending on whether the appointment is internal or external and the notice period given. The Council is required by law to appoint one of its officers to be the Council's Head of Paid Service and so, until such time as a permanent appointment to that role is made, it is proposed that the following members of CMB be appointed to act as interim Head of Paid Service for a period of three months each, on a rotational basis until such time as the new postholder assumes their position:
- Margaret Lee, Executive Director for Corporate and Customer Services
 - Dave Hill, Executive Director for People Commissioning
 - Keir Lynch, Executive Director for Strategy, Transformation and Commissioning Support
 - Sonia Davidson-Grant, Executive Director for Place Commissioning
- 3.10. The person whose name next appears on the rota will act as the deputy Head of Paid Service who will act in the absence of the Head of Paid Service or at any time during which they are unable to act due to conflicts of interest. Margaret Lee will be the Deputy Head of Paid Service when Sonia Davidson-Grant is the Head of Paid Service.
- 3.11. Margaret Lee's appointment will commence on the day after Joanna Killian's departure and will run for slightly longer than three months until the end of August.
- 3.12. There remains one vacant executive director role on the Corporate Management Board, namely the Executive Director for Place Operations. Recruitment to this permanent post will take place after the new Chief Executive has been appointed as he or she will need to be instrumental in this important appointment. The Panel will comprise:
- Cabinet member for Economic Growth, Infrastructure, Waste and Recycling (Councillor Kevin Bentley)
 - Cabinet Member for Libraries, Communities and Planning (Councillor Roger Hirst)

- Cabinet Member for Education and Lifelong Learning (Councillor Ray Gooding)
- Leader of the Labour Group (Councillor Julie Young)
- Leader of the Lib Dem Group (Councillor Mike Mackrory)

4. Policy context and Outcomes Framework

- 4.1. Essex County Council has ambitious plans for the County and this is reflected in the corporate strategy, *the Essex Vision 2013-17*, and the Corporate Outcomes Framework. The role of Chief Executive is pivotal in realising our ambitions and will work closely with members and other officers to achieve our overall objectives.

5. Financial Implications

- 5.1. Recruitment costs for the Chief Executive post, comprising the activities of expert advice, Executive search, advertisements, interviews and assessments, will be around 25 to 30% of the overall salary costs i.e. £50k to £60k. This is in line with industry standards.
- 5.2. These recruitment costs and those arising from the recruitment of the interim Executive Director for Place Operations will be met from existing budgets, as will salary and other associated costs.
- 5.3. There will be no allowance or honorarium paid to those people appointed to the interim position of Head of Paid Service nor for the deputy Head of Paid Service.

6. Legal Implications

- 6.1. The Council is not required by law to have a Chief Executive as such, although most do but, under the Local Government and Housing Act 1989, the Council is required to appoint one of its officers to be the 'Head of the Paid Service'. The Head of the Paid Service cannot, by law, be the Monitoring Officer or the Scrutiny Officer.
- 6.2. The Head of Paid Service is required by law to discharge the function of appointing and dismissing all council staff, although he or she can delegate this function to other officers, and has in the past done so through officer delegations. Appointments to Executive Director and Director positions are usually made by members.
- 6.3. The appointment of the Head of Paid Service has to be approved by Full Council.
- 6.4. The Council has conferred on the Chief Executive a number of roles, described in the Constitution. These are conferred specifically on the Chief

Executive, not the Head of Paid Service, so the Council will be asked to agree minor changes to the Constitution to make it clear that any references in the Constitution to the 'Chief Executive' will be construed as a reference to the Head of Paid Service if there is no Chief Executive in post. Changes to the Constitution will need to be approved by Full Council at its meeting on 12th May. A report making recommendations to the Council will be submitted by the Monitoring Officer.

- 6.5. The Council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs and must secure that one of its officers is responsible for those financial affairs. The interim arrangements for the post of Head of Paid Service will see the section 151 officer, Margaret Lee, also assuming the role of Head of Paid Service. Members will want to be assured that the significant duties of both statutory posts can be combined for the temporary period without any adverse impact on the potholder's ability to fulfil their various statutory roles.
- 6.6. CIPFA guidance indicates that the section 151 officer may also act as the Head of Paid Service.
- 6.7. The Council is also required to appoint a Director of Adult Social Services and a Director of Children's Services. One person can be appointed to both roles, as is the case here in Essex. When appointing the DCS the Council has to consider statutory guidance which states that it is important to consider the duties of the post. Whilst there is no legal restriction on appointing the DASS/DCS as the Head of the Paid Service, it would be unusual for the roles to be combined and held by the same person. In terms of capacity, members will be aware that there is already another senior officer who acts as the deputy for the DASS/DCS. There is also an Executive Director for People Operations and a Director of Adult Operations who work closely together with the DASS/DCS to ensure appropriate arrangements are in place for the safeguarding of service users. This arrangement is for a short, three month period.

7. Equality and Diversity implications

- 7.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when ECC makes decisions it must have regard to the need to:
 - (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 7.3 An initial equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.
- 7.4 Advertisements will be placed in such a way as to ensure that as many potential candidates are aware of this recruitment campaign as possible. The recruitment will be conducted in accordance with the Council's usual policies and procedures for recruitment to executive positions and will be conducted in accordance with the Council's Recruitment Policy and Diversity and Equality in Employment Policy.

8. Appendices

- Equality Impact Assessment
- Draft Role Profile (to follow)

9. List of Background Papers

Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries

- Essex County Council Pay Policy Statement Approved by Council March 2015