

**URGENT BUSINESS**  
**Appointment of an Interim Chief Executive**  
**23 February 2022**

**Report of the Chief Executive Recruitment Committee**

**PURPOSE OF REPORT**

To seek approval for appointment to the role of Interim Chief Executive on a fixed term basis whilst the recruitment process for the substantive role is completed and potentially to the point that the permanent postholder starts their appointment.

**This report is public.**

**RECOMMENDATIONS of the adhoc Chief Executive Recruitment Committee**

**That Council:**

- (1) Approves the offer of appointment to be made to Mark Davies as Interim Chief Executive and Head of Paid Service for a fixed term.
- (2) The fixed term interim arrangement will be less than 6 months and will commence at the end of the current Chief Executive Post holder's contract.

**1.0 Introduction**

- 1.1 The Chief Executive Recruitment Committee (CERC) was established by Council on 15 May 2021 as an ad hoc proportionally balanced committee of 9 members to take decisions on all practical recruitment arrangements.
- 1.2 Councillor Hamilton-Cox was appointed as Chair of the Committee.
- 1.3 The formation of the ad hoc committee is required by the Council's constitution when appointing a Head of Paid Service. The Constitution, (Part 1 – Summary and Explanation, Paragraph 6 – The Council's Staff) confirms that the Council must have at least three Statutory Officers including: "a Head of Paid Service responsible for the Council's Officers (in Lancaster this is the Chief Executive)" The Constitution requires Council to approve the appointment of the Chief Executive/Head of Paid Service following the recommendation of the ad hoc committee, before an offer of appointment is made. (Part 3, Section 6, Paragraph 3.)

1.4 The reason for urgency is that a decision must be taken on the interim arrangement for a Head of Paid Service to ensure the continuity of statutory provision and leadership should there be a gap between the current Chief Executive's departure and a permanent replacement commencing employment.

**2.0 Interim Arrangements**

2.1 The current situation is that the Head of Paid Service will leave the Authority on 31<sup>st</sup> March 2022 and will have leave to take in advance of that date.

2.2 The Chief Executive Recruitment Committee has procured the services of TILE HILL to assist with the recruitment of a permanent replacement for the role of Chief Executive.

2.3 It is a statutory requirement that the Council always has in post a Head of Paid Service. Given this requirement, the Committee has considered options in relation to filling the post on an interim basis until a permanent appointment is made. There is a high possibility that an appointee to the permanent role would be unlikely to commence on 1 April 2022. As an industry standard, notice periods for the successful candidate may vary between 3-6 months.

2.4 The options considered were:

<b>Rank Order</b>	<b>Contingency</b>	<b>Advantages,</b>	<b>Disadvantages</b>
	Appoint an external Interim	Provides additional capacity. Introduces new perspectives. Clear distinction between Head of Paid Service There is a known pool of Interim Chief Execs so likely to be straightforward to identify an available candidate (with sufficient notice).	This process would need to start in parallel with recruitment.  A further set of selection processes will be required. Costs of interims tend to be considerably higher than permanent employees and are paid on a day rate likely to be around double the salary.
	Invite expressions of interest from Directors	Familiarity with Authority and context. Least cost option Would provide development opportunities for Director and for Heads of Service to backfill director. Could be net cheaper than the Chief Executive salary, due to backfill cascade of existing employees so could mitigate the cost impact of the recruitment	Would be some costs associated with bridging the gap. Would not increase the capacity available to run the authority. We would need to run a transparent selection process. Would not bring a new or different

		process.	strategic perspective.
	Approach neighbouring authorities to find out if they would be willing to take on interim shared leadership	Experienced person familiar with context. Relatively cheaper than an external interim	There are potential constitutional issues to be navigated for potential conflicts of interest. Costs would be incurred in terms of share of salary. Would only get a part time resource.

- 2.5 The Committee agreed to invite formal Expressions of Interest from Directors, set out in the options table. Directors were invited to Express Interest in the interim role of Chief Executive on 3 February 2022. Two Expressions of Interest were received.
- 2.6 It is a requirement that the appointment decision is made by Council following a recruitment process operated by the Chief Executive Recruitment Committee which makes a recommendation to full Council. This process is supported by officer administration only.
- 2.7 A meeting was arranged for 21 February 2022 to complete a full and open recruitment process. Following an interview selection process, the Committee agreed to recommend the appointment of Mark Davies.
- 2.8 Consideration for the remuneration of the role is in accordance with the Pay Policy Statement and therefore no adjustments are required. The post will be paid for the duration as advertised.
- 2.9 The consequential impact of this appointment and its implication on the capacity of resources will be managed by the Executive Management Team.
- 2.10 The appointment to the Interim Chief Executive role will be on the basis of a fixed term contract of less than six months, with the potential for it to terminate sooner with one month's notice provided. The intention of this is for the contract to cease at the point at which the permanent appointment to the Chief Executive role is able to commence in their post.
- 2.11 The appointment to this temporary arrangement is on the basis that the substantive post of Director for Communities and Environment will be available to Mark Davies at the end of this temporary contract. Should a permanent post holder not be recruited to the Chief Executive role within the term of this temporary arrangement (less than six months) then a further process may be required to ensure the ongoing provision of a Head of Paid Service.
- 2.12 We are aware that temporary or permanent appointment to Chief Executive and statutory roles requires agreement by full Council. Any continuation of the Interim arrangement or the appointment of the Chief Executive will therefore be a full Council decision. Any other appointment to a non-statutory Chief Officer post lies with the Personnel Committee.

### 3.0 Conclusion

- 3.1 The Chief Executive Recruitment Committee seeks permission to proceed with the recommendation to confirm the offer of appointment to Mark Davies to the role of Interim Chief Executive for the defined period outlined above.

#### **CONCLUSION OF IMPACT ASSESSMENT**

**(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

No impact.

#### **LEGAL IMPLICATIONS**

HR and legal advice will be available throughout the recruitment process to ensure that legal requirements relating to employment are complied with.

#### **FINANCIAL IMPLICATIONS**

The current revenue budget includes c£120K for the CEX position, with this interim appointment expected to deliver a degree savings in the short term. However, should external consultancy, or agency staff be required to backfill any positions it would be expected to be managed within the service budget.

There remains an amount of £30,000 in the current financial year for the recruitment of a new Chief Executive. This amount is funded from the Corporate Priorities Reserve slipped from 2020/21 as the current arrangements were extended.

#### **OTHER RESOURCE IMPLICATIONS**

##### **Human Resources:**

The recruitment process will be handled in line with Council Policy and Procedures, and all legislative requirements. The HR Matters are also set out in the body of the report.

**Information Services; Property; Open Spaces:** None.

#### **SECTION 151 OFFICER'S COMMENTS**

As this is a Statutory Officer post it is essential that provision is made to ensure continuation of those duties.

### **MONITORING OFFICER'S COMMENTS**

Section 4 of the Local Government and Housing Act 1989 places a duty on each Council to designate one of their officers as the Head of Paid Service and to provide that officer with such staff, accommodation and other resources as are, in his/her opinion, sufficient to allow his/her duties under this section to be performed. Section 7(2) of the Local Government and Housing Act 1989 requires that the council ensure that the appointment of the Chief Executive/Head of Paid Service is made on merit.

Local Authorities (Functions and Responsibilities) (England) Regulations 2000 require that the appointment of the Head of Paid Service shall not be a function of the Executive and therefore this is a Full Council function.

There is also a requirement for the Council to approve the appointment of the Head of the Paid Service before an unconditional offer of appointment is made.

### **BACKGROUND PAPERS**

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