

CHIEF EXECUTIVE RECRUITMENT COMMITTEE

Overview of the Committee's Role in the Recruitment Process

23 November 2015

Report of the Chief Executive

PURPOSE OF REPORT

To set out the terms of reference of the Committee as established by Council, and to enable the Committee to consider the work programme that will be required in order to appoint a new Chief Executive.

This report is public

RECOMMENDATIONS

- (1) That the Chief Executive Recruitment Committee consider:**
 - **The Committee Work Plan**
 - **The Draft Job Description and Person Specification**
 - **Remuneration (including consideration of Returning Officer's fees)**
 - **Recruitment Process**
 - **The appointment of an advisor to the Committee**
 - **The appointment of consultants to support the recruitment process.**
- (2) That the Committee make a recommendation to full Council in relation to the designation of the post as the Returning Officer, and remuneration for the post of Chief Executive**
- (3) That the Committee consider establishing a Sub-Committee to agree the content of the Recruitment Information Pack.**

1.0 Introduction

- 1.1** At its meeting on the 21st October 2015, Council resolved at Minute 72 as follows:
 - (1)** That Council accepts the resolution of Personnel Committee, to retain a whole time Chief Executive post.
 - (2)** That the size of the ad hoc committee be 20 members, with each group deciding individually whether to appoint members from the Personnel or Overview and Scrutiny Committees;
 - (3)** That Council delegates all practical recruitment arrangements to the ad hoc committee, such as finalising a job description, person specification and advertisement and deciding whether to use a recruitment consultant or not.
 - (4)** That the ad hoc committee makes a recommendation to Council on the salary of the new Chief Executive, with Council making the final decision.
 - (5)** That Councillor Blamire be appointed as Chairman of the ad hoc recruitment committee.

- 1.2 This Committee has been established as the ad hoc Committee referred to in the Council minute, and at the initial meeting it is proposed that the Committee consider its programme of work and a timetable for the recruitment process.
- 1.3 In addition, the Committee is asked to consider the preparation of a job description and person specification, to consider whether it wishes to appoint a recruitment consultant and/or external advisor. It is also necessary for the Committee at this meeting to consider the proposed salary for the new Chief Executive, given that a recommendation will need to be made to Council, at its meeting on the 16th December, to ensure that the approved salary can be included in the recruitment pack.

2.0 Proposed Committee Work Plan

- 2.1 A programme of key activities associated with recruitment of a Chief Executive is set out in the Draft Work Plan detailed at Appendix One. Clearly additional activities will take place to feed into the key events.
- 2.2 The Work Plan sets out a schedule of events and activities through until March 2016. This is primarily to ensure that there is clarity as to what will be happening and when, and to allow plenty of time to schedule events in diaries. It will be important for the dates for activities such as an assessment centre, meetings with members and interviews to be included in the initial advertisement, to help prospective candidates to plan well ahead to ensure they are available for the key recruitment activities. Given the time line we are following, there is little in the way of flexibility for alternative interview dates.
- 2.3 The stages which have been set out in Appendix One are seen as a practical and pragmatic way of progressing the activities associated with the recruitment of a new Chief Executive. The aim of the process is to secure a clear picture of each candidate's strengths, weaknesses and overall suitability for the post against the selection criteria for the post. The Person Specification for the post will form the foundation on which the selection for the post is carried out.

3.0 Job Description and Person Specification

- 3.1 Detailed at Appendix Two is the current Chief Executive's Job Description and Person Specification. These documents were last revised in March 2000. Members may wish to consider the relevance of the current Job Description and Person Specification, in relation to the post to which they wish to appoint a candidate from July 2016.
- 3.2 A review of the current documents and of the role of the Chief Executive in other district councils has highlighted that much of what was considered appropriate 15 years ago, remains current. However members may wish to consider an updated version as a means of modernising some of the terminology, and setting out, where possible the context of the role at Lancaster City Council.
- 3.3 Clearly the job description and person specification for the post will be informed by what type of Chief Executive the Council wishes to appoint. Having decided what type of Chief Executive the Council needs, members may wish to ask North West Employers to develop a draft Job Description and Person Specification, which the committee can then consider before being agreed. This activity has been set out in the Draft Work Plan detailed at Appendix One

3.4 The activities that define the present role of Chief Executive within Lancaster City Council are outlined below:

a) Political Interface

The provision of formal and informal policy advice and options regarding strategy and strategic plans. The provision of professional advice to all parts of democratic decision making and the implementation of the decisions taken.

b) Policy and Strategy

The development of Policy and Strategy based on the place(s) within the District, the Ensuring Council ethos, the political and financial context and Council Priorities.

c) Leading the Workforce

As Head of the Paid Service advising Council on the resources required to deliver Council Priorities. As the accountable officer overall corporate management and operational responsibility for all activities and employees of the Council.

Reconciling the differences that routinely occur at chief officer level in terms of relative importance of operational matters, approach to issues and problems and differing professional advice to member bodies.

d) Partnership Working

The lead officer role on Community Leadership, advising, supporting and representing Council.

Leadership of Place and Place(s) amongst other locally based and regionally based organisations.

Partnership working to achieve Local Government Priorities within the region and Lancashire sub region.

e) Community Leadership

Managing the Council's reputation, leading on Community Cohesion and supporting the Council by taking an active role in Civic Leadership.

4.0 The Returning Officer Role

4.1 Although the current Job Description and Person Specification set out the additional responsibilities of the statutory role of the Head of Paid Service, they are silent on the matter of the Chief Executive's role as the Returning Officer. Whilst it is possible for the Council to designate another officer as the Returning Officer, it has been the practice in the past for the Chief Executive to be designated as the officer to undertake these duties.

4.2 Appointment as Returning Officer is separate from the appointment as Chief Executive and, although appointed by the Council, the Returning Officer's responsibilities and duties are personal. This personal responsibility attracts separate remuneration, which is published in a Fees and Charges Order by HM Treasury for all national elections, based on the district's electorate.

- 4.3 Because the Returning Officer's fees for national elections and referenda are paid by the central government and the County elections are paid by Lancashire Council, the remuneration and fees for the personal responsibility involved in these activities are generally separate from and additional to the salary for the role of Chief Executive (or other role within the council where the Returning Officer is not the Chief Executive) However, as the Returning Officer fees for city and parish council elections are paid by the City Council, it would be possible for those fees to be taken into account in the Chief Executive's salary, so that additional fees would not be paid in respect of each such election.

This is the case at Manchester City Council, whose Statement of Pay Policy states that: *"The Chief Executive does not receive any additional payment for the role of Returning Officer for local government elections."*

It should be noted that any fees payable for duties undertaken in connection with national elections and referenda (Parliamentary and European Parliamentary elections, Police and Crime Commissioners Elections and national referenda) are funded by central government in accordance with Fees and Charges Orders...

Consequently, any such payments made to those officers who undertake specific duties in relation to these elections and referenda (including to chief officers and to the Chief Executive as Returning Officer) are not funded by the Council."

- 4.4 Members may wish to consider first, whether it is appropriate for the Chief Executive to be designated as the Returning Officer, and, if so, whether the postholder should continue to receive fees for city and parish elections, or whether it is appropriate for the salary of the Chief Executive to include payment for the functions of the Returning Officer in relation to city and parish council elections with no additional fees being paid for these elections. The formal designation of the postholder as Returning Officer would be a matter for full Council.

5.0 Appointment of consultants to support the Recruitment Process

- 5.1 Members may wish to consider the appointment of consultants to support the recruitment process. Although a consultancy firm are able to offer a range of activities that would assist the selection of a new Chief Executive, this can prove costly. It would not be uncommon to see a figure of one third of the salary being quoted as a fee for such service. However, members will be aware that Lancaster City Council subscribes to the Northwest Employers service (NWEmployers) and as such is able to access service via our membership. Some services are provided as part of our membership, although others can be provided for a fee. Outlined at Appendix Three is a proposal received from NWEmployers.
- 5.2 The services offered by NWEmployers are highly valuable to the recruitment process. The costs associated to the activities for which there is an additional charge are also considered to be competitive.
- 5.3 Should Members wish to secure the service of a consultant to support the recruitment process, then Officers recommend that NWEmployers are commissioned to undertake key activities to assist the recruitment and selection process.

6.0 Appointment of an Advisor to the Committee

- 6.1 Although general HR advice is available from the Council's HR & OD Manager, members may benefit from having a dedicated advisor to the Committee who is able to handle parts of the selection process on behalf of the members, (e.g., undertaking a pre-selection assessment of candidates' technical proficiency). Having consulted other Councils on past recruitment processes for a Chief Executive, this initial selection assessment process has proven highly useful in helping members sift through the pool of applicants and narrow down the long list of candidate to a short

list for interview.

- 6.2 Should members wish to be supported by an Advisor, then it is important that the appointee is suitably experienced to fulfil the role. The role calls for someone who has experience of being a Chief Executive and all that is required to be effective in the role both internally and as a district /regional leader and partner. Officers have given consideration to who might be able to fulfil this role, whilst at the same time being sufficiently far enough removed that he/she would not be known to potential candidates. The Chief Executive has, through the Society of Local Government Chief Executives (SOLACE) network, identified a potential candidate for the role who has indicated that they would be happy to discuss how they might be able to assist the recruitment process for a new Chief Executive.
- 6.3 The combination of an Advisor working with a consultant such as NWEmployers would ensure that a short list of candidates can be put to members in a reasonable timeframe. The combined activity would aid the process of initial assessment of candidates against the Person Specification through to the final interview, and ensure that the process is conducted in a timely manner with the right level of guidance and support at each stage.

7.0 Additional Selection Activity

- 7.1 In addition to any pre-selection process conducted by an Advisor to the Panel, members may wish to consider augmenting the selection process with other assessment activities, such as a Panel of Partner organisations. Details of this activity are set out in Appendix One. It may be that members wish to use this process to secure input from partners such as the Police, Voluntary and Community Groups.

8.0 Remuneration

- 8.1 Detailed at Appendix Four is a Summary of Chief Executive Pay Rates across the North West. All the salaries quoted exclude Returning Officer Fees which are paid separately. Some posts also receive an additional car allowance in the form of a percentage of basic salary or follow the NJC Allowance Rates. However, in terms of Vehicle Allowances there is a general trend to move to a wholly casual user arrangements. Lancaster City Council is in the process of moving all vehicle users to a casual status.
- 8.2 Lancaster City Council is one of the largest District Councils in the North West. The current salary level of the Chief Executive could be described as 'mid-range' when compared to other North West District Councils.
- 8.3 Although the current Chief Executive salary has not been reviewed for some time and there has, over recent years, been a trend which has seen Chief Executive and Chief Officer pay reduce in real terms, the current pay rate appears to fit with expected levels of remuneration for an organisation of Lancaster City Council's size.
- 8.3 There is no basis for comparing Chief Executive Pay on a 'like for like' basis. For example, the most recent recruitment exercise for a Chief Executive within the region was at Burnley Borough Council who have appointed on a spot salary of £105,000. As members will be aware, Burnley Council has outsourced many of its services and has a programme in place which will see further reductions. The current staffing levels at Burnley being 347 (Full Time Equivalent) posts and this will reduce further in 2016.
- 8.4 Historically there has been a bandwidth for many public sector posts. However at a senior level, there is a growing tendency to opt for a spot salary position as can be evidenced from the list of salaries at Appendix Four.

- 8.5 The Council needs to secure the right candidate for the job, in order to deliver the challenging outcomes that will be necessary over the coming years. It is therefore reasonable to describe this post as critical. Members need to ensure that the salary / pay level that is selected matches the demands of the role and is also attractive enough to secure interest from high calibre individuals.
- 8.6 When compared against other North West Councils the current salary level appears appropriate. There are many pay structure options that the Council could adopt, including performance related pay, However such an arrangement can prove complicated and time consuming to administer and can give rise to unnecessary disputes. The main two options for remuneration tend to be a spot salary or a pay grade.
- 8.7 If members wish to adopt a pay grade, then the range of the grade is clearly something that needs to be considered. If it were the Council's intention to only appoint at the bottom of the grade, then this must be made clear in the recruitment information. This will avoid any misunderstanding at a later date. Progression in grade can be deemed to be annually on 1 April each year or subject to a satisfactory performance appraisal. Although the latter may seem attractive there are challenges that come with this process,

Should the current salary level be considered (in principle) to be an appropriate level of reward for the post, then the example pay grade may help members determine the 'bandwidth' to be adopted.

Effective Date	Salary	% of Grade Maximum	Blank	Blank
On Appointment	£96,300	90.0%		
1 April *	£98,975	92.5%		
1 April	£101,650	95.0%		
1 April	£107,000	100%		

** 1 April following appointment or 6 months following appointment, whichever is the later.*

- 8.7 The data used in the Summary of Chief Executive Pay Rates (Northwest) has been secured from NWEmployers and the E'Pay Check facility. However, to help members decide on an appropriate remuneration, be it a spot salary or pay grade, Members may also wish to ask NWEmployers to provide additional guidance on pay rates and the relative merits of a spot salary or pay grade.
- 8.8 All other main terms and conditions of service for the Chief Executive are based on those defined by the Joint Negotiating Committee (JNC) for Chief Executives.

CONCLUSION OF IMPACT ASSESSMENT

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

LEGAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

Initial assessment of cost suggest a budget in the region of £20k will be required.

Cost of the recruitment process will be funded for the 2015/16 additional establishment turnover savings.

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:

None

Property:

None

Open Spaces:

None

DEPUTY SECTION 151 OFFICER'S COMMENTS

The Deputy S151 officer comments will follow.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

Full Council Report 21 October 2015
(Item 72)

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