

North Somerset Council

REPORT TO THE EMPLOYMENT COMMITTEE

DATE OF MEETING:	15 AUGUST 2018
SUBJECT OF REPORT:	SENIOR MANAGEMENT STRUCTURES
TOWN OR PARISH:	ALL
OFFICER PRESENTING:	INTERIM CHIEF EXECUTIVE
KEY DECISION:	NO

RECOMMENDATIONS

That the Employment Committee:

- i. Agrees to progress permanent appointments to the Chief Executive (Head of Paid Service) and the Head of Finance & Property (Chief Finance Officer) posts, and oversees the recruitment and selection arrangements for these roles on the basis set out in this report.
- ii. Notes the appointment of Penna Plc to provide executive search and related recruitment and selection support services to secure candidates with relevant knowledge, skills and experience for the Chief Executive and Chief Finance Officer roles.

1. SUMMARY OF REPORT

The Employment Committee is asked to endorse the proposal to undertake a recruitment and selection process to secure permanent appointments to the Chief Executive and Chief Finance Officer (Section 151 Officer) roles.

This is in the context that the interim Chief Executive has been asked to undertake a review of senior management structures. That review continues and will be reported to a subsequent meeting of the Employment Committee. The challenges to local government as a whole, the potential for change within the region and the importance of maintaining key projects and programmes in North Somerset, as well as imminent elections, all reinforce the need for the council to have the corporate statutory officer roles filled on a permanent basis.

Penna Plc has been appointed to provide specialist external recruitment support to help attract applicants with the necessary knowledge, skills and experience. Penna have advised that there is a constrained pool of candidates for both roles and that executive search is a necessary part of the recruitment process.

2. POLICY

Securing permanent appointments to the Chief Executive and Chief Finance Officer roles will help ensure that the council continues to have the necessary strategic leadership and financial advice and support during a period of significant challenge and change. It will also reduce the time during which interim arrangements are necessary.

Filling these roles on a permanent basis will provide stability to the council without prejudicing other potential outcomes of the senior management review.

3. BACKGROUND

The interim Chief Executive will present findings from the review, together with options for Members to consider, to a future meeting of the Employment Committee in due course.

The purpose of this paper is to make progress with filling key corporate roles.

3.1 Chief Executive Post

The terms of reference for the senior management review included consideration of the role of the council's Chief Executive. It is recommended that the council retain the Chief Executive role.

The Local Government and Housing Act 1989 includes a statutory duty to designate one of the council's officers as Head of Paid Service. This role naturally falls to the Chief Executive as it bestows authority over all other officers of the council. The Chief Executive is able to ensure that the various functions and activities of the council are coordinated and directed towards achieving the council's overall objectives and priorities, set by the political leadership and published in the council's Corporate Plan. Strong corporate leadership and managerial oversight across the whole council is considered essential to the efficient and effective delivery of services, alongside strong political leadership, and is especially critical at a time of significant change and uncertainty.

Having a view across the whole council also places the Chief Executive in a unique position to offer strategic policy advice to the Executive, Scrutiny and all elected Members.

Strategic community leadership is also an important role for the council's Chief Executive, steering the delivery of transformation and change through a variety of partnerships. The Chief Executive is often the leading figure in such partnerships and is a key figure leading negotiations with government, other public bodies and key stakeholders. The Chief Executive is responsible for:

- Managing the political/managerial interface
- Effective implementation of the council's policies
- Leadership of the Corporate Management Team
- Chief adviser to the council on policy, strategy and planning
- Promoting constructive external and internal relationships
- Performance management of the authority

The Chief Executive is ultimately responsible for the performance of the Council as a whole, including financial performance, and provides a clear focal point for both Members and officers.

The Chief Executive post is considered essential to maintain an appropriate level of managerial leadership capacity to lead and manage change and to ensure the council's interests are protected in local and regional partnership working.

3.2 Chief Finance Officer (Section 151 Officer)

The council's Chief Finance Officer (Head of Finance & Property) has secured alternative employment with the West of England Combined Authority. Members are, therefore, asked to endorse the proposal to take steps to fill the Chief Finance Officer post. Strong financial management is essential to the council and it is recommended to ensure continuity that a recruitment process commences for this post as quickly as possible. Advertising this post at this time will not prejudice other structural changes.

There is a statutory duty placed on local authorities through Section 151 of the Local Government Act 1972 to make arrangements for the proper administration of their financial affairs and the legislation requires that an officer is nominated to take responsibility for the administration of those affairs (known as the Chief Finance Officer). The Chief Finance Officer must have unimpeded access to advise elected Members and the Corporate Management Team and must be a qualified accountant.

The Chief Finance Officer (Section 151 Officer) has a number of statutory duties, including:

- a duty to report any unlawful financial activity involving the authority (past, present or proposed)
- a duty to report a failure to set or keep to a balanced budget
- to ensure that legal requirements are complied with regarding capital finance and prudential limits for borrowing and capital investment
- advice on the robustness of budget estimates and adequacy of financial reserves
- the right to insist that sufficient financial provision is made for the cost of such staff, accommodation and other resources to carry out the role

In exercising oversight of the Council's Finances, the Chief Finance Officer will take an appropriate level of responsibility for:

- the council's commercial strategy, appraising and advising on commercial opportunities, including the acquisition of commercial, income generating assets and optimising use of the council's own land and buildings
- the strategic approach to procurement and commissioning, developing creative solutions to procurement challenges
- shaping the delivery of financial services
- ensuring value for money is obtained from all council spend including council contracts and arrangements with other providers

3.3 Specialist recruitment and Selection Support

Penna Plc were appointed to provide this advice after quotes were sought from three organisations. Their quote best matched our requirements and represented the best value for money.

Penna have provided similar support for a large number of similar appointments in other local authorities and are a market leader with contemporary expertise.

The consultants have advised that the pool of potential candidates with relevant knowledge, skills and experience for the Chief Executive and Chief Finance Officer posts is limited. Penna have therefore been asked to undertake executive search activity, to advise on the nature and type of candidates available and on the aspects of the roles most likely to attract high quality candidates to North Somerset. They will continue to do this throughout the recruitment process.

3.4 Proposed Timetable

Penna have been asked to work with us to produce a timetable to secure permanent appointments to the Chief Executive and the Chief Finance Officer posts as quickly as possible, with the added benefit of allowing the designated Chief Executive to have some involvement in the Chief Finance Officer role. They advise that this timetable is dependent not only upon availability of panels and candidates, but also on being able to carry out any assessment required within this timescale.

Date	Activity
15 th August	<ul style="list-style-type: none"> ▪ Employment Committee to consider Chief Executive & Chief Finance Officer roles and recruitment process
16 th August to 23 rd August	<ul style="list-style-type: none"> ▪ Executive search activity to attract candidates to both roles ▪ Develop job advert, advertising materials and microsite for both roles
Week commencing 23 rd August	<ul style="list-style-type: none"> ▪ Place job advert in national media ▪ Job advertising material and job microsite go live
10 th September	<ul style="list-style-type: none"> ▪ Closing date for both roles
Week commencing 17 th September	<ul style="list-style-type: none"> ▪ Penna to hold technical interviews with a longlist of candidates to help determine a shortlist
25 th September	<ul style="list-style-type: none"> ▪ Employment Committee to determine shortlist of candidates to come forward to final interviews
15 th October	<ul style="list-style-type: none"> ▪ Employment Committee to hold final interviews for Chief Executive
16 th October	<ul style="list-style-type: none"> ▪ Extra-ordinary Council meeting to consider Employment Committee recommendation
17 th October	<ul style="list-style-type: none"> ▪ Employment Committee to hold final interviews for Chief Finance Officer

4. CONSULTATION

Corporate Management Team has discussed the proposal to secure permanent appointments to the Chief Executive and the Chief Finance Officer roles and is supportive.

The Employment Committee will oversee the recruitment and selection arrangements for both roles.

5. FINANCIAL IMPLICATIONS

The Chief Executive post was previously filled on a spot salary of £152,954.

The salary range for the Chief Finance Officer role is £101,214 to £111,234.

The advice from our consultants is to advertise both roles with a 'ball park' salary. In the case of the Chief Executive this would be circa £150,000 and in the case of the Chief Finance Officer, this would be circa £100,000. They further advise that it is normal in recruitment processes such as this for there to be flexibility of about 10% from that figure for exceptional candidates.

The Employment Committee will consider the starting salary for the successful candidate(s) as part of the recruitment and process and will be able to come to a conclusion on the appropriate level of starting salary for each role as part of the interview process.

The salary costs and the costs associated with executive search, advertising and assessment of candidates will be met from within existing approved revenue budgets.

6. RISK MANAGEMENT

The review of senior management structures has highlighted a comparatively low level of senior leadership capacity to lead and manage change. The proposals in this report are aimed at securing senior leadership resource to help deliver the council's priorities, projects and initiatives and to fulfil statutory requirements.

7. EQUALITY IMPLICATIONS

The senior management review is being progressed following with the council's normal employment procedures which are designed to address equalities, and the consultants have advised accordingly.

8. CORPORATE IMPLICATIONS

The proposals in this report reflect the need to secure senior leadership and management resource to support delivery of council priorities and secure permanent arrangements for the statutory appointment of Head of Paid Service and to fulfil Section 151 financial responsibilities.

9. OPTIONS CONSIDERED

It is considered important to progress the appointments to the Chief Executive post and the Chief Financial Officer post to ensure that there is sufficient leadership of the organisation and budget of the Council.

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BACKGROUND PAPERS –

Employment Committee Report 14 May 2018