

WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 28 NOVEMBER 2017

Title:

**FRAMEWORK FOR WAVERLEY'S NEW CHIEF EXECUTIVE AND STRATEGIC
DIRECTOR ROLE**

**[Portfolio Holder: Cllr Julia Potts]
[Wards Affected: All]**

Note pursuant to Section 100B(5) of the Local Government Act 1972

An annexe to this report contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraph 1 of Part I of Schedule 12A to the Local Government Act 1972, namely:

Information relating to any individual.

Summary and purpose:

At the Council meeting on the 6 June 2017 the Council agreed that in order to meet its ambitions going forward, the Council would continue to require a principal executive in a leadership role such as a Chief Executive or Executive Director to maintain robust strategic and operational leadership. At its meeting on 18 July 2017, the Council agreed interim arrangements for the role of Head of Paid Service. The following report outlines the recruitment framework for the Council's Chief Executive (Head of Paid Service) and Strategic Director roles.

How this report relates to the council's corporate priorities:

This report supports the achievement of all of Waverley's corporate priorities.

Equality and Diversity Implications:

Waverley is committed to ensuring that all employees are treated fairly and given equality of opportunity. It is the personal responsibility of all staff to ensure that their actions do not, whether intentionally or not, discriminate against others. For this recruitment process the Council will adopt practices and procedures that will seek to ensure that no person receives less favourable treatment, whether directly or indirectly, on the grounds of race, ethnic origin, gender, or gender reassignment, sexual orientation, pregnancy and maternity, marital status, disability, age, political or religious belief.

Financial Implications:

It is estimated that additional budget will be required in 2017/2018 if both interim arrangements continue to 31 March 2018. The additional cost of the change from Executive Director to Chief Executive is estimated to be £7,000 in a full year and this amount will be included in the 2018/19 budget. Any other changes are contained within the total salary budget for the Management Board Team.

The cost of the recruitment exercise for the new Chief Executive and vacant Strategic Director post, supported by experienced independent recruitment consultants (Solace in Business) from initial consultation to final interviews cannot be met from existing budgets. This includes executive search, bespoke micro-site, long listing, short listing, assessment centre and advertising costs.

As there is no budget provision for these one off costs in 2017/18 a supplementary estimate of up to £30,000 is requested to cover the additional interim costs and the costs of external recruitment experts.

Legal Implications:

The Council may appoint whatever officers it thinks are necessary to carry out any function it is responsible for discharging.

Despite this general flexibility, section 4(1) of the Local Government and Housing Act 1989 places an obligation on the Council to designate one of its officers as head of the authority's paid service (Head of Paid Service). This officer is usually the Council's Chief Executive or Managing Director. Until the appointment of the Interim Managing Director this had been the Council's Executive Director.

Sections 4(2) and 4(3) of the Act provide that the Head of Paid Service is responsible for preparing reports on the way the Council's staff is organised, staffing needs and on the co-ordination of how the council's functions are discharged.

Schedule 1 Part II paragraph 4(1) of the Local Authorities (Standing Orders) (England) Regulations 2001 states that the function of the appointment of the Head of Paid Service must be exercised by Full Council before an offer of appointment is made.

Part 1 Article 4 paragraph 4.02(m) and Part 3 ('Responsibility for Functions') Section B of Waverley's Constitution also states that only Full Council may confirm the appointment of the Head of Paid Service and Strategic Directors.

Part 3 ('Responsibility for Functions') Section B of Waverley's Constitution confirms that functions relating to elections, including (for example) the duty to appoint an Electoral Registration Officer, Returning Officer, or division of the borough into polling districts are reserved to Full Council.

Part 1 Article 12 paragraph 12.01 of Waverley's Constitution states that the Executive Director will undertake the role of Head of Paid Service and Returning Officer unless otherwise agreed by Council.

Under the current arrangements the Interim Managing Director fulfils the statutory role of Head of Paid Service. The Returning Officer and Electoral Registration Officer statutory functions are fulfilled by the Strategic Director - Front Line Services.

In summary, appointments to the roles of Chief Executive, Head of Paid Service, Returning Officer, Electoral Registration Officer and Strategic Director - Front Line Services are all matters that must be decided by Full Council.

Details of each relevant statutory role are set out in Annexe 1.

The appointment of an Interim Strategic Director is proposed and the appointment decision is made by the Council.

Background

1. Following the departure of the previous Head of Paid Service, the Council appointed Tom Horwood as interim Managing Director and Head of Paid Service. The appointment took effect on 1 August 2017 for a period of up to 6 months on a part-time arrangement involving two to four days per week, as necessary to meet the demands of the job.
2. Tom Horwood is also an Executive Director for East Hampshire District Council and Havant Borough Council under shared management arrangements. A separate report on the agenda provides an update on his assignment to date, which is currently scheduled to end on 31 January 2018.
3. Waverley's Strategic Director - Front Line Services and Interim Returning Officer and Electoral Registration Officer will be leaving the Council at the end of December 2017 to take up a new role. As a busy Council, with clear expectations and targets to be delivered this year, it is important that the Council takes steps to retain sufficient Director level capacity within the organisation on an interim basis, while agreeing the process for securing permanent appointments to the roles of both Chief Executive and Strategic Director.

Interim Arrangements

4. In advance of the process to secure a permanent replacement, it is proposed that the existing arrangements be extended to retain Tom Horwood as Waverley's Interim Managing Director. It is also proposed that he undertake the statutory roles of Returning Officer and Electoral Registration Officer on an interim basis, with effect from 1 January 2018.
5. In advance of the process to secure a permanent replacement for the Strategic Director role, an interim Director has been selected following an interview process for a temporary period until that appointment is made. It is therefore recommended that Council appoints Annie Righton on an interim basis to this role. Her CV is attached to this report as (Exempt) Annexe 2.

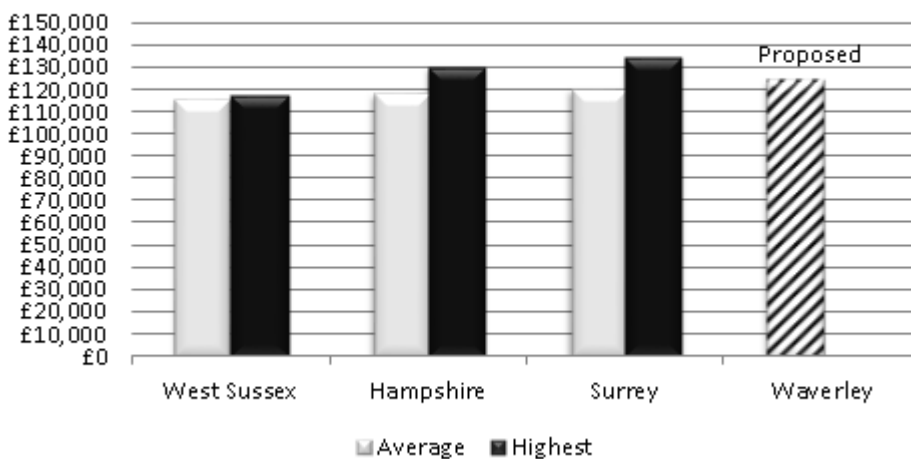
Permanent posts

6. It is imperative that a robust and resilient senior management resource is in place and therefore a full-time Chief Executive role with two full-time Strategic Directors is the proposed model. This structure compares favourably with other local authorities of this size with retained housing functions that typically have a Chief Executive and between two and four directors.
7. In order to progress the permanent appointments, the Council has secured the services of Solace in Business, a leading recruitment specialist in local government with a strong track record in appointments to both Chief Executive and Director level roles.
8. Having considered initial advice from Solace in Business, it is proposed that:

- a) the appropriate job title, given the strategic direction of the council, for the role previously titled 'Executive Director', should be Chief Executive; and
- b) the job title for the two director roles should both be Strategic Director.

9. To determine the appropriate salary level for the Chief Executive post, Solace in Business have conducted a benchmarking exercise of previously published salaries for similar posts. This has taken into account remuneration rates that operate in District and Boroughs within Surrey and the neighbouring Counties, the relative size and complexity of this borough with its 4 distinct settlements, the range of services provided by the Council including the significant housing landlord function, and the scale of what the Council wishes to achieve over the coming years. The benchmarking information has also been considered in the context of this Council's strong commitment to value for money. Drawing on this, it is recommended that the total remuneration (including all internal allowances) for the Chief Executive is £124,000 and that Waverley's approved pay scale is updated accordingly.
10. This represents an increase on the current remuneration rate of £119,195 which comprises a number of different elements including salary, fixed expenses allowance, lease or essential car allowance and out of hours payment. The proposed remuneration package is more transparent and marketable and would place Waverley just above the average point for Surrey Boroughs and Districts and below the top quartile salaries identified in the benchmarking exercise. This is further illustrated in the diagram below which includes comparisons with the two neighbouring counties.

District and Borough Chief Executive Salaries



11. Currently the pay package for the two Strategic Directors comprises of a number of different elements including salary, fixed expenses allowance, lease or essential car allowance and out of hours payment. The Strategic Director grade is also subject to annual increments. It is proposed to consolidate the Strategic Director grade into one spot salary similar to the approach proposed for the Chief Executive role, and remove the various components that exists currently and also remove the incremental progression. This should make the role more transparent and more marketable.

12. The benchmarking exercise for the Strategic Director role has confirmed that no major change is necessary as the maximum grade package offered is already competitive.

Appointment to the Permanent Roles

13. Given that the Council will have two interim arrangements at the top of its staffing structure from January, it is important to proceed as quickly as possible with the process to fill these posts on a permanent basis.
14. It is proposed to start a structured recruitment process, advised on and supported by Solace in Business, with a view to recommend to the Council appointment to the vacant posts of:
 - a) Chief Executive (to include the statutory functions of Head of Paid Service, Returning Officer and Electoral Registration Officer), and
 - b) Strategic Director.
15. It is also proposed that the membership of the selection panel for both the Chief Executive role and the Strategic Director roles will comprise the Council Leader, representatives from the Executive and the Leader or Deputy Leader of the minority group. The selection panel will be supported by HR support and the Council's advisors, Solace in Business.
16. The Council will undertake a rigorous selection process that reflects the advice of Solace in Business, which may include some or all of the following:
 - a technical interview by a highly experienced current / previous local government Chief Executive
 - assessment by a local stakeholder panel with representation from a range of statutory and non statutory partners.
 - Occupational Testing
 - a final interview by a selection panel of Council Members supported by HR advice and Solace in Business
17. Once an appointment has been agreed by the Council, the newly appointed Chief Executive will then have the opportunity to participate in the selection of the Strategic Director even if they have not yet commenced their employment with Waverley Borough Council in this role. Officers have discussed the process with the Council's external auditors as part of developing this approach.

Recommendation

It is recommended that the Executive recommends to the Council that

1. arrangements be made for Tom Horwood to continue as Waverley's Interim Managing Director until Waverley appoints a permanent Chief Executive and that he also undertake the statutory functions of Returning Officer and Electoral Registration Officer with effect from 1 January 2018;

2. Annie Righton be appointed as Interim Strategic Director with effect from 1 January 2018;
3. the Council's permanent Senior Management Team be comprised of a full-time Chief Executive and two full-time Strategic Directors with effect from 1 January 2018;
4. Waverley's pay scales, as included in the approved pay policy, be revised to include the Chief Executive and Strategic Director pay proposals set out in this report, with effect from 1 January 2018;
5. the Chief Executive position includes the statutory functions of Returning Officer and Electoral Registration Officer; and
6. the recruitment process commences to appoint to the vacant Chief Executive role and Strategic Director role, with external advice and support provided by Solace in Business.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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Description of relevant statutory roles

Head of Paid Service

1. The Head of Paid Service is a legally defined role responsible for advising members of the Council on the staffing requirements required to achieve the council's objectives and delivery high quality services to the community.
2. This includes decisions on:
 - a. the overall structure of the staff team into service areas.
 - b. how services are structured to meet our statutory and non-statutory functions,
 - c. the number and grades of staff required to deliver each of the services,
 - d. the financial soundness of staffing proposals,
 - e. and the appointment and proper management of the staff.

Returning Officer

1. In England and Wales, every district council or unitary authority is required to appoint an officer of the council to be the Returning Officer for the election of councillors to their local authority (and that person will also in almost all cases then act as Counting Officer or Deputy Returning Officer etc in elections where someone else is the Returning officer).
2. This person is appointed under section 24(3) of the Representation of the People Act 1983 and is expected to organise all aspects of the election and is personally responsible for:
 - a. publishing the notice of election
 - b. administering the nomination process
 - c. printing the ballot papers
 - d. publishing the notice of poll, statement of persons nominated and notice of situation of polling stations
 - e. appointing Presiding Officers and Poll Clerks
 - f. managing the postal voting process
 - g. verifying and counting
3. Returning Officers may appoint Deputy Returning Officers to support them in their duties but cannot delegate their personal responsibility for delivering the election.

Electoral Registration Officer

1. Local authorities also have to appoint an Electoral Registration Officer. This person has the statutory responsibility for the preparation and maintenance of the register in their area and is appointed under section 8 of the Representation of the People Act 1983.