

Joint Report of the Director of People & Improvement & the Director of Resources

## **RECRUITMENT OF A REPLACEMENT CHIEF EXECUTIVE**

### **Summary**

1. This report asks Members to approve plans for recruiting to the post of Chief Executive, including the setting of a revised salary for the post and the appointment of a member selection panel. This matter is urgent as following the recent election the current post holder has now formalised his intention to retire and continuity of officer leadership is critical.

### **Background**

2. The current post holder has given the Council notice of his retirement, to be effective from 20<sup>th</sup> August, with his last day in the office being 27<sup>th</sup> July prior to using outstanding leave.
3. Tribal Resourcing have been selected to help the Council with this vacancy and plans for the recruitment process have now been drawn up.
4. It has been necessary to review the salary of the post of Chief Executive to ensure that the Council remains competitive in the market place and remains able to attract the calibre of leadership it requires to meet its challenging priorities.

### **Consultation**

5. Some details relating to the current post holder and the proposals are contained in a confidential annex, Annex 1, as they are exempt under Paragraph 1 of the Local Government and Housing Act. Therefore consultation has been limited to internal consultation with elected members and key officers.
6. Following discussion with all group leaders and advice from Tribal Resourcing the advert for a replacement Chief Executive will appear in a number of national publications week commencing 28th May 2007.

## **Analysis relating to Salary**

7. A review of the salary level for Chief Executive was undertaken during the period March–May 2007, the results of which are attached at Annex 2.
8. The methodology for the salary review was to gather evidence based information from a number of sources in order to enable market comparisons with the City of York Council. These sources included the following:
  - The HAY Remuneration Database of jobs as at January 2007. Hay undertook a benchmark exercise using national jobs from 109 participating organisations in Local government and the Public and Not for Profit Sectors.
  - City of York Council National Survey of Unitary Authorities with 16 participating authorities.
  - Tribal Resourcing Chief Executive Salary Benchmarking data.
  - LGE Salaries and Numbers Survey 2006, of all Unitary Councils (published April 2007)
9. Paragraphs 9 – 12 are contained in confidential Annex 1.

## **Member Appointment Panel**

13. Members are asked to appoint a politically balanced Member selection panel for this process with powers to appoint within the recommended salary range, as described in Annex 1.
14. It is recommended that Tribal Resourcing be asked to search within this scale, and that the scale be published.

## **Corporate Priorities**

15. The recommended course of action supports all the Council's priorities by providing for continuity of overarching officer leadership on all key priorities, and especially the Community and Council leadership priorities.

## **Implications**

16. The report has the following implications:
  - **Financial** – The cost in 2007/8 of the higher salary could range between a maximum of £24k (assuming an August start at the top end of the new salary, including pension and National Insurance costs) to a minimum of nothing (assuming a November start on the bottom end of the salary range). If necessary any additional costs in the 2007/8 financial year can be funded from one –off underspends within the Chief Executive's department in 2006/7. These will be reported formally to members as

part of the closure of accounts in June. The full year effect in 2008/9 will range from £20k to £35k and will need to be funded on an ongoing basis during the 2008/9 budget setting process.

- There will be additional salary costs relating to the conduct of elections as the Chief Executive is likely to be the returning officer and the salary levels proposed do not, in common with most other Councils, include for election duties. These will need to be contained within approved election budgets as they arise.
- **Human Resources (HR)** – The Head of HR has advised that a robust piece of market research has been undertaken using a number of sources of national repute. This research clearly indicates that the recommended option is warranted.
- **Equalities** - There are no equalities implications
- **Legal** - There are no legal implications other than those under the Local Government and Housing Act and the Council's constitution which normally govern the appointment of the Head of Paid Service.
- **Crime and Disorder** - There are no crime and disorder implications
- **Information Technology (IT)** - There are no IT implications
- **Property** - There are no property implications
- **Other** - There are no other implications

## **Risk Management**

17. There are no known risks of proceeding with option 1 other than the challenge to manage the ongoing budget pressures.
18. There are significant risks in proceeding with option 2, which would include a break in officer leadership continuity at a critical time after the election, loss of focus on key priorities, and loss of reputation in the community.

## **Recommendations**

19. Members are asked to:
  - 1) proceed with plans to recruit a replacement Chief Executive, including a reviewed salary range of £130k to £145k based on a 5 point scale, and
  - 2) to appoint a politically balanced member selection panel with powers to make an appointment including salary.

Reason: To maintain continuity of leadership and to retain the Council's ability to attract the appropriate level of calibre for the role.

## Contact Details

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**Report Approved**  **Date** 16 May 2007

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**Wards Affected:** *List wards or tick box to indicate all*

**All**

**For further information please contact the author of the report**

**Background Papers:**

*None*

**Annexes**

**Annex 1 – paragraphs 9-12, Current and proposed salary range**  
**Annex 2 - Chief Executive's salary review**