

HERTFORDSHIRE COUNTY COUNCIL
EMPLOYMENT COMMITTEE
THURSDAY, 7 JUNE 2018 AT 10.00 AM

<u>Agenda Item</u> <u>No.</u> 1
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RECRUITMENT OF THE CHIEF EXECUTIVE (HEAD OF PAID SERVICE)

Report of the Assistant Director of Human Resources

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1. Purpose of report

- 1.1 To enable Employment Committee to consider the notification of the Chief Executive of his intention to retire in spring 2019.

2. Summary

- 2.1 The Employment Committee is responsible for the appointment of the Chief Executive and Chief Officers. Full Council, however, must approve the appointment of any officer designated as Head of Paid Service before an offer of appointment is made to that person.
- 2.2 This report sets out the approach to the recruitment to the post of Chief Executive (Head of Paid Service) and also the context and rationale for the proposal to recruit to the post.

3. Recommendations

- 3.1 That the Committee:-
- (a) Notes the intention of the existing Chief Executive, John Wood, is to retire by 31 March 2019;
 - (b) Delegates authority to the Assistant Director of Human Resources in consultation with the Leader of the Council to agree the actual retirement date with the Chief Executive;
 - (c) Agrees to the recruitment to the post of Chief Executive (Head of Paid Service);
 - (d) Delegates authority to the Assistant Director of Human Resources in consultation with the Leader of the Council to commence a recruitment campaign for the post of Chief Executive (Head of Paid Service) including engaging an Executive Search Company;

- (e) Agrees that the post of Chief Executive will be advertised at a salary as “attractive”; and
- (f) Agrees the draft job pack which includes the job description and person specification for the position as attached to the Part 2 Report and authorises the Assistant Director of Human Resources in consultation with the Leader of the Council to make such amendments as are appropriate.

4. Background

- 4.1 John Wood joined Hertfordshire County Council in 1991 as Principal Transport Engineer later becoming Assistant Director of Environment and then in 2003 Director of Environment. He took on wider responsibilities, including Deputy Chief Executive in 2009 and was appointed to the role of Chief Executive in 2012 whilst still retaining the role of Director of Environment. John Wood has made an invaluable contribution to the County Council during his career at the County Council. He has announced that he is intending to retire by 31 March 2019.
- 4.2 At its meeting on 5 February 2018, this Committee agreed that with effect from 1 April 2018, the roles and responsibilities of the Chief Executive and Director of Environment be separated and a new Chief Officer post of Director of Environment and Infrastructure be created. Full Council in March 2018 agreed the appropriate revisions to the Constitution and the Leader of the Council subsequently allocated relevant executive functions to this role. Recruitment to the post of Director of Environment and Infrastructure is underway and it is anticipated that an appointment will be made in June 2018. In the meantime the Chief Executive is undertaking the responsibilities of the role of Director of Environment and Infrastructure

5. Role of Head of Paid Service and Chief Executive

- 5.1 The current Chief Executive is the Head of Paid Service for the County Council. The role of Head of Paid Service is a statutory appointment under the provisions of section 4 Local Government and Housing Act 1989. The Head of Paid Service has overall responsibility for the management of the authority and has a duty where he/she considers it appropriate to do so to prepare a report setting out proposals on the following matters:
 - 5.1.1 The way in which the different functions of the authority are coordinated
 - 5.1.2 The number and grades of staff required by the authority for the discharge of its functions
 - 5.1.3 The organisation of the authority’s staff
 - 5.1.4 The appointment and proper management of the authority’s staff.

5.2 As Chief Executive the current postholder's responsibilities are summarised as:-

5.2.1 To work with elected members and colleagues to ensure the realisation of the Council's vision, policies, goals and Corporate Plan.

5.2.2. Working with partners, stakeholders, voluntary bodies and citizens to realise Hertfordshire's full potential as a County.

5.2.3 Securing and maintaining the staff and other resources needed to deliver high quality, cost effective services to the people of Hertfordshire.

5.2.4 Overall corporate management and operational responsibility, including overall management responsibility for all officers.

5.2.5 Lead policy adviser to the Council and the Executive.

5.3 The Chief Executive also has direct line management responsibility for the:

- Director of Resources
- Director of Adult Care Services
- Director of Environment and Infrastructure
- Director of Children's Services
- Director of Public Health
- Director of Community Protection

The Appendix to this Report sets out the current senior management structure at the County Council.

5.4 In addition to leading a major complex organisation, the Chief Executive undertakes the primary officer role in terms of partnerships and stakeholder management across the County, nationally and with Central Government. This is in the context of an increasing expectation placed upon the role to contribute to strategic external issues, for example the creation of a major change programme within the NHS, known as the NHS Sustainability & Transformation Partnership (STP).

6. Options appraisal

6.1 Following notification by the Chief Executive of his intention to retire an options appraisal was produced by the Assistant Director of Human Resources and considered by the Leader of the Council. The views of the Leader of the Liberal Democrat Group and the Leader of the Labour Group were also sought. In considering the options Members should take account of the fact that by law the County Council must have an appointed Head of Paid Service. Members should further note that any option, other than Option 1, would require a re-modelling of the senior leadership team and be

subject to consultation with the affected Chief Officers and require further member process. The options considered were:

Option 1 – replace like for like – **Recommended option** on the basis of the scale and scope of the role and the corporate cohesion and strategic direction that the role brings to the Council. The external benchmarking set out in paragraph 7 below supports this approach. In addition the Leader of the Council is mindful of the report that was placed before the Employment Committee on 5 February 2018, concerning the separation of the post of Chief Executive and Director of Environment. This report drew Members’ attention to the reality that there are increasing demands being placed upon the role of Chief Executive. Option 1, therefore, is the most logical and sustainable option.

Option 2 – Do not replace the post of Chief Executive and implement a model whereby one of the Chief Officers is the “first amongst equals” with the Leader of the Council agreeing strategic and other objectives with the relevant Officer. All other remaining Chief Officers would report into the “first amongst equals” Chief Officer. **Not recommended** on the basis that with increased demands upon Chief Officers, the post of Chief Executive is the post that effectively stitches and keeps the whole sum of the parts together. A concern with option 2 is that there would be insufficient senior strategic resource to ensure the County Council is positioned to manage and influence at a strategic level within the County and nationally.

Option 3 – Do not replace the post of Chief Executive and design and implement a model whereby all Chief Officers would agree strategic and service objectives with the Leader of the Council. **Not recommended** for the same reasons that option 2 is not recommended. Option 3 also has the potential to diminish the efficiency and effectiveness of the overall day to day running of the council.

- 6.2 Whilst there is no requirement for an authority to have a Chief Executive who is Head of Paid Service, the County Council must designate one of its officers as Head of Paid Service and any option other than Option 1 would need to include provision for an officer to be appointed Head of Paid Service.
- 6.3 The Leader of the Council supports retaining the role of Chief Executive (Head of Paid Service). The Leader of the Liberal Democrat Group and the Leader of the Labour Group have been consulted on this. This report sets out proposals and recommendations to enable recruitment to the role of Chief Executive (Head of Paid Service) to take place.

7. External comparisons

- 7.1 A comparison exercise with other counties was undertaken to compare the proposal of replacing the Chief Executive (Head of Paid Service) role on a ‘like for like basis’ and this is summarised in table 1.

County	Post	Structure aligns with recommended HCC option 1, as set out in 6.1 above	Salary (per annum)
Buckinghamshire	Chief Executive	Yes	£195,000
Essex	Chief Executive	Yes	£195,000
Nottinghamshire	Interim Chief Executive	Yes	Not known
Bedfordshire	Chief Executive	Yes	£184,999
Oxford	Chief Executive	Yes	£190-195,000 range
Cambridge	Chief Executive and Returning Officer	Yes	£122,503
Kent	Head of Paid Service (Corporate Director – Strategic and Corporate Services)	No	£194,000
Norfolk	Managing Director	No	£181,800

8. Appointment and Recruitment Process

- 8.1 The Council's Constitution provides that the appointment of the Chief Executive is delegated to the Employment Committee and the appointment of the Head of Paid Service must be approved by Full Council before an offer of appointment is made to that person. The recruitment must be undertaken in accordance with the Officer Employment Procedure Rules set out in Annex 14 of the Constitution.
- 8.2 When recruitment is to the post of Chief Executive (Head of Paid Service) and it is not proposed that the appointment be made exclusively from among existing officers the Employment Committee has the following responsibilities:
- 8.2.1 drawing up (or arranging for the drawing up of) a statement specifying (i) the duties of the role and (ii) any qualifications or qualities to be sought in the person to be appointed; and
 - 8.2.2 making arrangements for the post to be advertised in such a way as is likely to bring it to the attention of persons who are qualified to apply for it; and
 - 8.2.3 making arrangements for a copy of the statement mentioned in 8.2.1 above to be sent to any person on request.
- 8.3 In order to assist the Employment Committee in the duties outlined in 8.2 above, a draft job pack has been prepared and this is attached to the accompanying Part 2 Report.

8.4 Following advertisement of the post the Council must:

8.4.1 interview all qualified applicants for the post, or

8.4.2 select a short list of such qualified applicants and interview those included on the short list.

Again the Employment Committee is responsible for ensuring compliance with the matters mentioned above.

8.5 It is proposed that an Executive Search Company with expertise in senior local government recruitment is appointed to assist the Council to identify suitable candidates to apply for the role and to manage appropriate aspects of the recruitment process. The Committee is requested to delegate to the Assistant Director of Human Resources in consultation with the Leader of the Council the authority to appoint an Executive Search Company. In due course Employment Committee will be requested to agree a short list of applicants to be interviewed and then will form the appointment Committee for the post.

8.6 As mentioned earlier in the report Full Council needs to agree the appointment of the officer designated as Head of Paid Service prior to an offer of appointment being made to that person. The timing of the recruitment process may not fit in with the published programme of meetings for Council and so an extraordinary meeting of Council may need to be called for this purpose. A report will be taken to full Council on 18 July 2018 to inform Council of the recruitment process.

8.7 The Council's Pay policy provides that 'all senior manager vacancies will require an assessment of the market prior to advertisement to make a decision in regard to the 'circa' salary within the salary range, (or zone for PMC) that the role should be advertised at. The entire salary range should not be advertised.' The Pay Policy does not make any specific provision for the level of salary which should be included in any advertisement for the post of Chief Executive (Head of Paid Service). It is proposed that the salary be advertised as 'attractive'. The Part 2 Report gives further information as to the likely salary range. Prior to appointment full Council will be informed of the salary proposed to be paid to the successful applicant.

9. Financial Implications

9.1 In addition to the headline salary there will be on costs comprising employer's pension and national insurance contributions. The cost of the post of Chief Executive will be met from within the existing budget for the Chief Executive's office.

9.2 It is anticipated that the cost of the Executive Search Agency will be up to 30% of the agreed salary. There is no specific budget for this but it is anticipated that it can be met from existing pay budgets.

10. Equalities implications

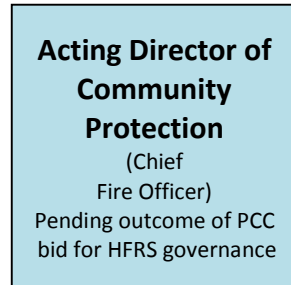
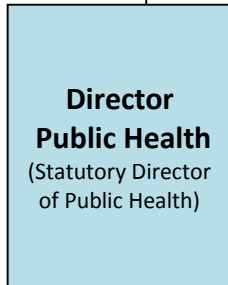
- 10.1 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the Equality implications of the decision that they are making. Rigorous consideration will ensure proper appreciation of any potential impact of that decision on the County Council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EQiA) produced by officers.
- 10.2 The Equality Act 2010 requires the County Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.
- 10.3 There are no equalities implications in relation to the decisions recommended in this report. Any equalities implications relating to the implementation of the decisions will be taken into account as part of the recruitment and selection process.

Background Information

None

Strategic Management Board (SMB) April 2018
Statutory and Service responsibilities

Chief Legal Officer
 (standing invitee)



Highways Management & Maintenance
 Transport & Infrastructure Planning & Delivery
 Environmental Management
 Passenger Transport
 Strategic Planning
 Economic Development
 Housing Strategy & Delivery
 Securing HCC Infrastructure Needs

Finance
 HR
 Legal, Member & Statutory Services
 Property
 Technology
 Performance & Improvement
 Audit & Risk Mgt
 Health & Safety

Procurement
 Herts Catering
 Herts Business Services
 Libraries
 Customer Service
 Policy

Adult Care Services
 Commissioning for People
 Health & Wellbeing

Statutory functions of the Director of Public Health

Fire & Rescue
 Trading Standards
 Resilience (emergency planning & business continuity)
 Community Safety
 Joint Protection Service

Children's Social Care
 Child Protection
 Family Placement
 Children's Residential care
 Children with Disabilities
 School Improvement & Standards
 School Place Planning
 Young People's Services
 Early Intervention