

Recruitment to the post of Chief Executive Officer

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Purpose of the Report

This report seeks authorisation from Council to recruit a new Chief Executive Officer to drive forward the organisational changes and new ways of working that the District Council will require in the future. The decision to commence Transformation and Income Generation in order to meet the considerable financial challenges facing the Council within the next 3 years will require a unified workforce under strong and effective leadership. It is considered that change on this scale will require a dedicated Chief Executive with both the skills and commitment to deliver the required outcomes.

Public Interest

In order to meet the externally imposed financial challenges facing the Council, only through a significant change in the way that Council services are delivered to the public can savings be realised and the quality of services be maintained or improved. At the same time extending the Council's thinking through an enhanced commercial approach to Income Generation will require new or adapted skill sets if the financial challenge is to be met without detriment to our services to the public. SSDC currently employs a workforce of over 400 who will require strong and inspirational leadership through this period of change.

Recommendations

That Full Council:

- i. Authorise the recruitment of a new Chief Executive Officer (CEO) through an open recruitment process and at an annual salary set out in the Financial Implications section of this report.
- ii. Appoint Rina Singh initially as interim acting CEO from today's date until such time as a new CEO is appointed. This interim appointment can be reviewed by Council at any time but in any event will be formally reviewed by Council should no appointment of a new CEO be made within 6 months.
- iii. Authorise the Appointments Committee, with such external specialist support as it considers necessary (in consultation with the HR Manager), to proceed with preparing the job and person specification for the new post and making all necessary arrangements for shortlisting, testing and interviewing candidates. On completion of these stages the Appointments Committee will recommend to Council which (if any) of the candidates should be appointed.
- iv. Approve the use of £69,664 of unallocated balances and note that the senior management costs will remain within the cost envelope outlined (with adjustments for changes to NI, pensions, and pay awards) by 2017/18.

1. Background

Since 1st August 2015 SSDC has operated without a substantive Chief Executive Officer (CEO) following the decision to cease the contractual arrangement with East Devon District Council. In July 2015 Full Council authorised a group of 4 members consisting of the Leader, Deputy Leader, Leader of the Conservative Group and Spokesperson for the Independent members (Leader's Working Group [LWG]) to consider the future Senior Management arrangements within the Council. The starting point was a consideration of whether the Council could operate satisfactorily with just two senior officers; a CEO and one Director.

During the course of considering a structure, the future face of Local Government, following the election, was clearly set to change and this suggested that a merger with another Somerset authority should receive active consideration. The Council authorised the Leader's Working Group to explore potential Joint Authority working with each of the Somerset District Councils. A decision to create a Joint Authority would have seen the likely merger of the senior management teams and the creation of a single CEO. Thus, whilst such an option was being considered it was decided to rotate the position of acting CEO between the two Strategic Directors on a monthly basis. This arrangement has been operating since August 2015.

In February 2016 Council made a decision not to merge and create a Joint Authority with another Somerset District Council at this point. Instead the decision was taken to begin the process of working towards two major changes within SSDC in order to meet the large budget gap that will exist by 2019-20. The first, and most significant, was a decision to commence a Transformation programme for the Council and the second was to have a major focus on Income Generation. Both these strands were considered important in meeting the financial challenges facing this Council. It was also jointly decided to work collaboratively with Sedgemoor District Council through a Strategic Alliance to seek further economies, ensure service resilience and jointly explore commercial business opportunities as a key part of Income Generation.

Given the scale of this undertaking and the decision not to merge with another Council, the Leader's Working Group has reached a conclusion that there is a need to recruit a new CEO as soon as practicable. This view was reinforced by the advice of an external adviser. The Appointments Committee, which is comprised of Cllrs Ric Pallister, Jo Roundell Greene, Tim Inglefield, Sylvia Seal, Angie Singleton, Andrew Turpin, Martin Wale and Colin Winder, will be responsible, in consultation with the HR Manager, for deciding which external support it requires and determining the job and person specification. It will decide the recruitment process and both shortlist and interview candidates. At the end of the process it will make a recommendation to Council in relation which of the candidates should be appointed. Whilst the Appointments Committee will be responsible for the process it will ensure that there are opportunities for Members and staff to meet and "gently" interrogate the candidates.

2. New Operating Model

Over the past 10 years SSDC has managed to reduce its senior management team from one Full time CEO plus 6 Directors to a ½ time CEO and 2 Directors. In terminating the contractual arrangement with East Devon, members concluded that a future senior

management team of 1 CEO and 1 Director could meet the Authority's needs. Despite the changes being proposed through Transformation, the LWG considers that such a strategic top tier remains the correct balance. The final size and shape of the management team can only be accurately determined as part of the Transformation journey and the new CEO will play an integral role in determining the shape and feel of the management arrangements they consider appropriate but it is considered that there will always be a need for a professional "Captain of the Ship" in any arrangements going forward.

3. Position of Acting CEO

The monthly rotation of acting CEO between the Strategic Directors, whilst acceptable for a short period, is not the ideal way of continuing to manage the Authority even in this interim phase. Despite this, both Vega Sturgess and Rina Singh have done an admirable job through a difficult, and at times challenging, period with Devolution and potential Joint Authority business case work requiring significant additional work. The LWG is now recommending that, in order to reinforce the priority being given to Transformation, Rina Singh should be appointed as the initial interim acting CEO until the new CEO is appointed. The position can be reviewed at any time, however, if no appointment is made within 6 months then the position should be formally reviewed by Council.

4. Financial Implications

The Leader of the Council has taken external advice regarding the proposed salary from South West Provincial Authorities. The advice outlined that the salary should be £110,000 per annum and has been assessed from benchmarking similar authorities. With on costs this totals £139,328.

Whilst the position of the new CEO will attract additional costs in the initial period, it is expected that by the beginning of the 2017/18 financial year there will be a requirement for one CEO plus one Director at the top of the organisation and this means that the overall cost envelope for the senior management team by that point can be contained within the existing budget of £849,292 (with adjustment made only for pay awards, national insurance, and pension contributions). The costs in the intervening period expected to be six months from appointment £69,664 can be found from unallocated balances.

Any associated redundancy costs will be met from the £2.4 million allocated to the transformation project for this purpose.
