

NORTH YORKSHIRE COUNCIL

THE CHIEF OFFICERS APPOINTMENT AND DISCIPLINARY COMMITTEE

6 June 2022

Report of the Assistant Chief Executive (Business Support)

1.0 Purpose of the report

- 1.1 To commence the recruitment process to the position of Chief Executive Officer for North Yorkshire Council
- 1.2 To determine the salary for the post to be approved by Full Council.

2.0 Background

- 2.1 With the formation of the new North Yorkshire Council, as set out in the North Yorkshire (Structural Changes) Order 2022, the Council now needs to begin the process of appointing a Chief Executive Officer.
- 2.2 The Local Government (Structural and Boundary Changes) (Staffing) Regulations 2008 regulation 4, sets out the need to appoint to a Head of Paid Service. In line with this requirement and as stated in the Explanatory Memorandum to The Local Government (Structural and Boundary Changes) (Staffing) Regulations 2008 No. 1419, para 3.5 there is a.... *'requirement to recruit to the post of head of paid service (chief executive) in the new single tier council, through open competition'*.
- 2.3 The Unitary programme envisages that savings will be made through the removal of duplication and efficiencies resulting from economies of scale and new synergies between services, and it is noted that the anticipated savings on Chief Executive salaries across the County will be in excess of £1 million a year (including on costs).

3.0 Remit of the Chief Officers Appointments and Disciplinary Committee

- 3.1 The full Committee appoints the Chief Executive Officer, and then appoints a Sub-Committee to appointment Chief Officers to the new Council.
- 3.2 Where a Chief Executive Officer vacancy exists the Chief Officers Appointments and Disciplinary Committee shall:
 - (a) interview all qualified applicants for the post; or
 - (b) select a shortlist of such qualified applicants and interview those on the shortlist;

and (in either case)

- (c) having carried out such interviews, either appoint one of the candidates to the vacancy, or decide not to appoint any of the candidates, but instead to take such further action in relation to the filling of the post as the committee may determine. Full Council must approve in advance any offer of appointment to Chief Executive Officer.

- 3.3 The Chief Officers Appointment and Disciplinary Committee is to consider from time to time the terms and conditions of Chief Officers and make necessary changes to them in accordance with paragraph 4 of its terms of reference.

4.0 Proposed Outline of the Recruitment Process

- 4.1 It is proposed that the campaign be launched in June 2022, with a nationwide recruitment campaign, widely advertised to attract an appropriate field. The Committee can then shortlist in early July followed by assessment and interview in late July. An outline of the proposed recruitment process for consideration is at Appendix 1.
- 4.2 Full council approval is needed to appoint, and will be sought prior to formal offer being made, subject to the right of the Leader and the Executive to object to the proposed appointment (Staff Employment Procedure Rule 5).

5.0 Proposed Job Description

- 5.1 The Job Description is detailed at Appendix 2 for consideration and approval and has been drafted in consultation with the Leader and Assistant Chief Executive (Business Support).

6.0 Chief Executive Remuneration

- 6.1 The constitution states; *“The determination of the remuneration and other terms and conditions which shall apply to a Chief Officer post on appointment, must comply with the Pay Policy Statement, provided that if it is proposed to make an appointment on terms and conditions which do not comply, the matter shall be referred to full Council for consideration as to whether the Pay Policy Statement should be amended prior to a final offer being made to any candidate. Any amendments proposed to Chief Officer remuneration and other terms and conditions, which would comprise an amendment to the Pay Policy Statement, shall be considered by the Chief Officers Appointments and Disciplinary Committee, and recommended by them to full Council for approval.”*
- 6.2 As this is a new position for the new Council, the salary needs to be considered and determined by this Committee and then recommended to full Council for approval.

- 6.3 The County Councils Chief Officer Appointment And Disciplinary Committee in 2007, with the implementation of equal pay and the introduction of a new grading structure, determined that pay bands for senior posts covered by its remit should be in the market median up to top quartile. The committee considered this appropriate due to the following factors:
- The Council is one of the largest local authorities in the region and hence the span of management jobs in terms of breadth, size and complexity will reflect this.
 - The need to be able to recruit both managers with potential starting at bottom of pay band (median rate) and proven senior managers who already work at that level and who would need to be offered a competitive salary to attract them (at top quartile).
 - The future recruitment needs at senior management levels as a result of the age profile of management teams.
 - The council's overall performance, its standing with national and regional bodies, and its ability to respond to changes and new priorities.
- 6.4 The Committee may consider this methodology and approach, which has been used for NYCC since 2007, as relevant to the new council and appropriate for continued use for this post.
- 6.5 The new Council will have a workforce of over 10,000, a revenue spend of £1.4 billion and an ongoing capital programme of £350 million, and owns wholly or jointly a number of companies all with separate workforce and budget.
- 6.6 In order to attract an appropriately qualified and experienced field, salaries of comparable Chief Executive roles have been considered and are detailed in Appendix 3. The authorities used for the pay modelling in Appendix 3 are those, which have gone through LGR since 2009, are similar authorities in size or geography or are relevant neighbouring authorities. The sample pay data shows the pay for unitary councils of a similar size to North Yorkshire are in the above median quartile, which is a salary range of £188k - £216k pa.
- 6.7 In order to balance the need to attract a suitably experienced and qualified field, enable flexibility of starting salary relative to the experience of appointee at appointment, and salary progression based on performance, a salary range from £180k to £197k, with 4 incremental progression points, (£180k to £185,670 to £191,340 to £197,010) is proposed. This makes the salary range competitive with similar sized authorities locally and nationally. Incremental progression is performance related, and will be determined by the Leader, after having sought views from others as appropriate.
- 6.8 Appendix 3 also shows the information of current pay rates, bonus etc. currently applicable to the North Yorkshire Councils Chief Executives.

The savings on CEX salaries across the county area is circa £1m (including on costs).

6.9 All other terms and conditions for the new CEX post are as standard and applied to all Council employees.

6.10 Returning Officer fees are set nationally in The Parliamentary Elections (Returning Officers' Charges) Order 2019 - <https://www.legislation.gov.uk/ukxi/2019/1454/made> and funded separately, therefore, these fees are paid in addition and separate to annual salary.

7.0 Financial implications

7.1 The financial implications are set out in the body of this report.

8.0 Legal implications

8.1 The legal implications are set out in the body of this report.

9.0 Climate change Implications

9.1 There are no significant climate change implications arising from this report.

10.0 Equalities implications

10.1 It is recommended to carry out a transparent and open recruitment process which will comply with the Council's equality processes.

11.0 Recommendations

That the Committee:

11.1 Considers the remuneration for the position of Chief Executive Officer of the new unitary authority to be referred to full Council for approval.

11.2 Considers the job description for the position of Chief Executive Officer.

11.3 Considers the recruitment process to appoint the new Chief Executive Officer.

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APPENDIX 1 - Outline of the proposed Recruitment Process

The proposed process and approach is typical industry standard and good practice for the appointment of Chief Executive Officers.

1.0 Overview

Campaign launched June 2022, with a nationwide recruitment campaign, widely advertised to attract an appropriate field.

The Committee to consider applications received to determine the candidates shortlisted to progress to the assessment and interview stage in early July.

The recruitment assessment process to be take place over 2 days in late July.

Day 1; a welcome and information session covering some of the key issues for NYC outlined by Senior Managers, panel meetings with key stakeholders to include: partners, key members and individual sessions with the Council Leader.

Day 2; Feedback from Day 1 sessions provided to the Committee. Committee interview candidates to determine a preferred candidate.

Approval of the appointment by full Council prior to formal offer being made, subject to the right of the Leader and Executive's right to object (Staff Employment Procedure Rule 5).

2.0 Proposed Attraction

To support the recruitment process and ensure access to a good range of high quality candidates it is proposed the campaign is advertised in the MJ (Local Government Publication), across job boards and social media channels in addition targeted executive search, for a minimum of two weeks but covering three weekends. This is considered sufficient to attract candidates as the local government review has been in the national spotlight for some time, with the decision for North Yorkshire agreed and published last July, and hence interested parties and sector leaders will be anticipating the advertisement of the role.

National advertising will ensure the role is marketed across the sector to generate interest. In order to ensure a good level of interest and sufficient suitable candidates, Executive Search could be used. This involves identifying existing leaders in roles that would bring the experience required for the role with executive search agents ensuring these leaders are aware of the opportunity directly. Given the scale and magnitude of this role, it is relatively easy to identify these target leaders in public sector.

The options for Executive Search are:

Option A: Do not engage Executive Search.

Given the national profile of North Yorkshire and the reach via advertising channels, the Committee may not wish to engage Executive Search.

Option B: Internal Executive Search Service;

The Council's internal Executive Search Service has extensive experience of appointing Chief Officers to local government and wider public sector such as Police and Fire Services on a national basis (for instance recently Cornwall Council, Gloucestershire Council, Doncaster BC, City of York Council, North Yorkshire and Nottingham Police & Fire Services). The service is included on national procurement frameworks, with team members having worked in the executive search industry prior to joining the Council. The service has already begun market research to identify senior leaders across the sector in readiness to launch the campaign.

Option C: Procure an external search agent:

Via a compliant procurement exercise, engage an alternative external executive search agent. The cost of an executive search agent is typically £30k and this will add approx. 6 to 8 weeks into the timetable (2-3 weeks procurement assuming call off a procurement framework, plus time for the agents to be briefed and commence their market research ahead of campaign launch).

The Assistant Chief Executive (Business Support) and Executive Search Officers (if utilised) will meet with the Leader to discuss key issues, from which the campaign will be drafted and details of this and a link to the campaign site will be provided to this committee prior to publishing.

3.0 Proposed Assessment

Short-listing, Familiarisation and Interview:

Short-listing of applications undertaken by the Committee in early July.

Successful short-listed applicants to be invited to a two day assessment process in late July.

Assessment Event: 2 Day Event

Day One

Welcome Session; Familiarisation session for candidates to outline the key issues for NYC. To comprise of presentations by and discussion with key Senior Managers on the main corporate issues.

A series of meetings on a rotational basis: Stakeholder Meetings

- a) **Key Members** – to be determined, to include Executive members not on the Committee and scrutiny chairs
- b) **Key Partner Panel – Public Sector** - to be determined, to include Health, Police, Fire, Voluntary/Community
- c) **Key Partner Panel – Devolution & Business Sector** - to be determined, to include LEP Chair, Business Leaders
- d) **One to One Discussion with Leader**

Feedback to be collated and provided to the appointments committee - utilised similar to references.

Day Two

Appointment Committee Interviews:

Presentation and Structured Interview, questioning agreed in advance

Timescales:

- June, Chief Officers Disciplinary & Appointments Committee agrees job description, recruitment approach and recommended salary.
- June, Campaign published (stating salary subject to Full Council approval)
- July, Full Council approve Chief Executive Officer Salary
- July (early), Shortlist determined by the Committee
- July (late), Interview and Assessment Event
- Date to be determined. Full Council approve Chief Executive Officer appointment

Start subject to clearances and notice period.

Please note 6-8 weeks additional time if external executive search agents engaged.

APPENDIX 2 Job Description

Post title:	Chief Executive Officer
Date of issue:	May 2022

Job Role Description

The newly created North Yorkshire Council (April 2023) is the transformation and merger of the eight district, borough and county councils serving a population of 611,000 residents and aspires to:

- be a strong voice in the North, speaking out nationally for rural and coastal communities
- develop and establish the new council bringing together the services in the best way for residents and businesses, making them even better
- drive efficiency and deliver savings
- unite North Yorkshire to operate at scale and sustainably, driving recovery from the pandemic
- create a revolution in localism so communities have the funding and power to take action on what matters to them most in their area
- build on the strong identity and global brand of North Yorkshire and what makes our county so great

You will lead the new Council and with the executive secure a devolution deal for North Yorkshire and York. The additional investment unlocked through devolution will enable the region to become a carbon negative economy, where people with the skills and aspiration to reach their full potential can earn higher wages and live healthier lives in thriving communities.

As the Head of Paid Service, you will ensure that all local government services meet the diverse needs of our residents, communities, economy and visitors including; Children & Young People Services, Health & Adult Services, Housing, Economy, Leisure/Heritage, Business & Environmental Services, Strategic and Corporate support services.

As the eight councils merge to create the new Council, with the Council Executive you will shape the leadership structure of the council. As the Head of Paid Service, provide outstanding strategic and organisational leadership to create, embed and sustain the new Council.

You will work effectively with elected Members to establish the vision and strategic direction and ensure the Council is appropriately structured, managed and resourced. You will make sure that the Council operates within a strong and effective governance framework, ensuring the legality of the Council's operations and decision making, effective record keeping for all decisions and the promotion of high ethical standards.

Act as an advocate for the Council at local, regional, and national level, enhancing the Council's reputation and influence, for instance having a strong strategic influence within the Mayoral led Combined Authority. You will form robust strategic partnerships to deliver whole system and whole place leadership for North Yorkshire.

Undertake statutory duties as Head of Paid Service and properly exercise the authorities delegated to the role of Chief Executive Officer according to the Council's Constitution including acting as Returning Officer and Electoral Registration Officer. Ensuring that all the Council and its subsidiaries statutory responsibilities are met.

In addition to being the Chief Executive for the North Yorkshire Council, you will be

shareholder representative for the group of companies owned by the Council ensuring commercial growth and profitability alongside execution of the businesses statutory responsibilities and providing oversight and shareholder direction.

As the Chief Executive you will bring the drive and vision to propel us forward into our future by:

- Uniting services to deliver high performing, localised services for our residents, communities and visitors
- Forming strong collaborative strategic partnerships, delivering whole system reform and maximising the integrated impact of public services
- Further enhancing the renowned reputation North Yorkshire locally, nationally and internationally, holding influence externally to drive the best deal for North Yorkshire, securing greater investment for our area
- Delivering strong, performance led strategic leadership with the highest levels of integrity -always doing the right thing for North Yorkshire, with strong moral purpose
- Delivering commercial growth through Council services and Council owned Companies, developing and delivering solutions across sector boundaries
- Leading with a focus on inclusivity so all the residents of North Yorkshire have a voice and have access to and receive effective personalised services, particularly those with complex needs, striving to ensure everyone has the best life chances, lives happy and healthy lives
- Creating a region that thrives and delivers for its residents

To undertake such other duties as the Council may reasonably require.

Essential Criteria. To be successful in the role you will:

- Have extensive experience of leading high performing large complex services to or within public sector, with the ability to successfully navigate local and national government and wider partnerships
- Be able to operate at scale, across a complex and diverse landscape. North Yorkshire is geographically the largest county in the country, with a mix of deeply rural, coastal and market town communities, ranging from areas of deprivation to areas of affluence
- Be politically astute- not only to deliver local government services but also to secure and deliver the best devolution deal for North Yorkshire
- Be well networked, using your strong collaborative partnerships to secure support, hold influence and build reputation
- Operate with the highest levels of integrity and strong moral purpose
- Have well developed commercial and financial astuteness. This role requires you to drive forward a thriving economy for North Yorkshire, deliver effective services, provide strategic leadership and ensure our commercial businesses can grow
- Have a legacy of leading high performing, robust services whilst leading with compassion
- Be an inclusive leader, ensuring that everyone is heard, everyone belongs, and be resolute and brave in your ambition to stamp out injustice and prejudice

To evidence the key criteria you will demonstrate:

Knowledge and Experience

- Detailed knowledge and understanding of the workings of local government (directly or indirectly), major legislative changes and other issues affecting local government to ensure the effective delivery of services and maximum value for money.
- Demonstrable and significant leadership and senior management experience in a complex political environment at Chief Officer or equivalent level in a large and complex local authority or major public sector organisation (directly or indirectly) with the ability to hold influence and navigate strategic partnerships.
- Proven track record of significant achievement at a strategic and corporate level including formulation of corporate objectives, policies and strategies within a large multi-disciplined organisation with comparable scope, responsibilities, budgets and resources.
- Experience of building and managing effective strategic partnerships across diverse sectors.

Occupational Skills

- Have strategic vision and focus on performance with the ability to think creatively and innovatively to set challenging objectives and targets.
- Determine and maintain the pace of change and deliver improved services within a pressurised and challenging financial context.
- Have excellent financial management skills with the ability to interpret financial and management information and in a partnership context, ensure the delivery of council services within budget constraints.
- Have outstanding diplomatic, leadership and influencing skills as an effective and persuasive communicator with the ability to relate to people at all levels within the council and externally, including the media, partners, government and other outside agencies.
- Display commercial/business astuteness and entrepreneurialism; with the ability to gain and sustain community/customer confidence and deliver innovative solutions.
- Demonstrate a high degree of political awareness and the ability to effectively advise and support Members and work closely with all councillors, local organisations and communities.

Behaviours

- Demonstrate a collaborative, inclusive personal style, highly effective interpersonal skills including strong emotional intelligence; and highly effective presentational skills.
- Operate with the highest levels of integrity and a strong moral purpose and the ability to work within the constraints of a publicly funded service.
- Ethical working

Professional Qualifications

Degree or recognised professional/management qualification or equivalent.

Other Requirements

- Be pro-active in anticipating and responding dynamically to the challenge of change, particularly in terms of efficiencies.
- Show a commitment to the Council's individual and partnership vision, objectives and key delivery targets.
- Ability to travel across the County and nationally.
- Ability to attend meetings outside of normal business hours

Structure

If successful the post holder will be instrumental in shaping the Senior Leadership Team for the Council, therefore the structure is not yet available.

APPENDIX 3 Pay Benchmarking

Title	Council	Population Served	Figure from	Basic Pay (maximum)
Chief Executive	Sheffield	735,000	Council data site latest	£216,000
Chief Executive	Buckinghamshire	547,060	Pay policy 20/21	£213,675
Chief Executive and Interim CEX	Durham	533,149	Draft SOA 20/21	£205,274
Chief Executive	Northumberland	323,820	Website 21/22	£204,999
Chief Executive	Central Bedfordshire	294,100	Statement of Accounts 20/22	£201,194
Chief Executive	Bradford	528,155	Pay policy 20/21	£201,004
Chief Executive	Staffordshire	1,131,052	Pay policy 21/22	£198,351
Chief Executive	Leeds City Council	793,139	LCC Data Mill North	£189,148
Chief Executive	Nottinghamshire	785,800	Pay policy 21/22	£188,630
Chief Executive	North Northamptonshire	350,448	Pay policy 21/22	£188,630
Chief Executive	Cornwall	573,299	Draft SOA 20/21	£188,628
Chief Executive	Bournemouth, Christchurch and Poole	395,300	Pay policy 21/22	£186,813
Chief Executive	Bedford	173,237	Pay policy 21/22	£188,629
Chief Executive	Wiltshire	504,070	Website 21/22	£183,544
Chief Executive	West Northamptonshire	406,733	Website 21/22	£183,150
Chief Executive	Cumbria County Council	498,083	HR Director	£172,975
Chief Executive	Dorset	379,791	Draft SOA 20/21	£172,975
Chief Executive	East Riding of Yorkshire	343,201	Audited SOA 20/21	£171,000
Chief Executive	Somerset	965,424	Pay policy 21/22	£169,771
Chief Executive	Cheshire West and Chester	343,823	Draft SOA 20/21	£165,291
Chief Executive	Cheshire East	386,667	Pay policy 22/23	£160,236
Chief Executive	Shropshire	325,415	Draft SOA 20/21	£159,566
				Above rates have been uplifted to reflect 2021 pay award of 1.75%
			median pay =	£188,629
			average pay =	£186,795
<p>The sample pay data reveals the pay maximum for unitary councils of a similar size to North Yorkshire fall within the above median quartile which has a salary range of £188k - £216k pa. To reflect this and be competitive by paying similar level suggest 4 increments grade from £180k to £185,670 to £191,340 to £197,010.</p>				
Pay Quartile Summary		Quartile min £	Quartile max £	
Upper quartile		£201,004	£216,000	
Above median quartile		£188,629	£201,004	
Below median quartile		£172,975	£186,813	
Lower quartile		£159,566	£172,975	

Current North Yorkshire Councils

Council	Basic Salary (p/a) * inc Car Allowance	+ PRP	Total
NYCC	£188,165	n/a	£188,165
Hambleton	£141,963*	Yearly PRP: up to 20% of salary (£26,535)	£168,498
Ryedale	£111,592	n/a	£111,592
Scarborough	£118,700*	n/a	£118,700
Selby	£119,982*	n/a	£119,982
Craven	£107,254	PRP: up to 5k per year	£112,254
Harrogate	£124,338	n/a	£124,338
Richmondshire	£104,996	n/a	£104,996
Total	£1,016,990		£1,048,525

Payments received as Returning Officer for Elections are in addition to the above. The actual cost to the Councils will be greater than the amount shown due to on-costs, such as national insurance and pension contributions.