

## **STAFF & APPOINTMENTS COMMITTEE**

**27<sup>th</sup> July 2022**

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### **INTERIM ARRANGEMENTS FOR APPOINTMENT OF HEAD OF PAID SERVICE**

Report of the Interim Director of HR/OD

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#### **Purpose of the Report**

This report sets out the proposed interim arrangements for the appointment of the Head of Paid Service and Chief Executive, following an agreement with Daljit Lally which in itself is subject to approval of this Committee and that of Full Council.

The purpose of this report is to seek approval from the Staff and Appointments Committee for the appointment of Rick O'Farrell as the full-time Interim Head of Paid Service and Chief Executive and to request that the Committee makes a recommendation to Full Council to appoint Mr O'Farrell into this role on an interim basis. The report also reminds the Committee of the requirements to follow the Officer Appointment Procedure Rules in relation to the appointment (or dismissal) of all Chief and Deputy Chief Officers.

It is proposed that the interim appointment remains in place until a full-time substantive appointment is made to the post of Head of Paid Service and Chief Executive.

#### **Recommendations**

##### **To agree the following recommendations:**

1. To receive the report.
2. Subject to no substantial and well-founded objection being notified by the Leader of the Council, in accordance with Part 4.3 of the Constitution (Officer Appointment Procedure Rules), that Rick O'Farrell be appointed on an interim basis to the role of Head of Paid Service and Chief Executive with immediate effect until a permanent full-time appointment can be made.
3. In the event that any objection is received from the Leader or Cabinet the appointment in question be referred back to this Committee for urgent consideration.

4. To recommend to Full Council that Rick O'Farrell be appointed as the Interim Head of Paid Service and Chief Executive on a temporary basis effective from 1<sup>st</sup> August 2022
5. To agree the remuneration for the post of Interim Head of Paid Service and Chief Executive at a rate of £202,117.00 per annum with access to staff benefits in line with all Council employees

### **Link to Corporate Plan**

This report is relevant to all areas of the Corporate Plan as it relates to ensuring that the Council is compliant with the constitution and fulfilling its legal duties and requirements to ensure that there is an effective and fit for purpose staffing establishment.

### **Key Issues and Background**

- The Chief Executive, Daljit Lally, has been absent from work off work since 8<sup>th</sup> March 2022. During this period the Council has sought interim arrangements by authorising Rick O'Farrell, to act up into the position of Deputy Chief Executive from his substantive role as Interim Executive Director of Regeneration on an interim basis.
- Following an agreement with Daljit Lally which in itself is subject to approval of this Committee and that of Full Council a need has arisen to appoint an Interim Head of Paid Service and Chief Executive.
- The Interim position has not been advertised externally because the Council has an existing workforce and has a need for immediate leadership stability to support the restructure of the Senior Leadership Structure and the recruitment of the three permanent statutory officer roles.
- The Interim Director of HR/OD requested expressions of interest for the role of Interim Head of Paid Service and Chief Executive. This was conducted on a ringfenced basis due to the need outlined above, from current Executive Directors (Acting or Interim). Rick O'Farrell was the single expression received.
- The current Head of Paid service JD is attached at appendix 2 he is suitably qualified and been doing the role on an interim basis and has a long-standing career in Local Government – Mr O'Farrell's CV is attached as the confidential appendix 1
- Following discussions between the Interim Director of HR/OD and the Chair of the Staff and Appointments Committee the nominated candidate is therefore Rick O'Farrell.
- One of the primary roles of the Interim Head of Paid Service and Chief Executive will be to restructure the Executive Team and recruit permanent roles including a permanent Head of Paid Service and Chief Executive.

### **Statutory Obligations and Pay Policy**

There are certain statutory appointments which must be made. The Local Government and Housing Act 1989 section 4 requires that the Council designate one of its officers as Head of the Paid Service (usually the Chief Executive) who is responsible for preparing reports on the way the local authority's staff is organised, on the authority's staffing needs and on the coordination of the way in which the authority's functions are discharged.

In addition, by section 38 of the Localism Act 2011 the Council is required to produce a Pay Policy each financial year. Approval of the Pay Policy is a matter for full Council and cannot

be delegated. The Council's current Pay Policy is 2022/2023 and sets out details, amongst other things, of the payment to chief officers.

The Staff & Appointments Committee is therefore required to consider and approve the appointment of Rick O'Farrell into the Interim Head of Paid Service and Chief Executive on a salary of £202,117 in line with the Councils agreed Pay Policy 2022/23 as follows,

*"Notwithstanding any other requirement of the Constitution, any appointment within the Council that attracts a salary package of £100,000 or more will be considered and approved by the Staff & Appointments Committee. Salary package in this respect includes salary and any other fees, allowances, bonuses and benefits in kind that the post holder would routinely be entitled to".*

The salary proposed salary is in line with the current arrangements for the post of chief executive. There is an ongoing need to review the structure of the senior leadership of the council, for which this role will have specific responsibilities and a comprehensive review of senior salaries will be undertaken as part of that review.

In addition, one of the three roles of the Staff & Appointments Committee as set out within its terms of reference in the Councils Constitution is *"To make recommendations to Council on the appointment of the Head of Paid Service."*

### **Officer Appointment Procedure Rules**

The Local Authorities (Standing Orders) (England) Regulations 2001 (as amended) requires that, where a Council is operating a Cabinet and Leader model of governance, before any offer of appointment is made to a Chief or Deputy Chief Officer, the Proper Officer designated for that purpose, notifies the Leader and every member of the Cabinet of the intention to make the appointment, the name, salary and other relevant particulars of the post, and allows the Leader and Cabinet an opportunity to make any substantial or well-founded objections to that appointment, before the appointment is made. These provisions apply irrespective of whether the appointment is made by the full council, a committee, or by an officer of the council delegated to do so. The provisions are broadly set out in Part 4.3 of the Northumberland County Council Constitution.

As the Council has designated the Chief Executive/Head of Paid Service as the proper officer for these purposes and given that in this situation this is not appropriate, the Monitoring Officer has responsibility to discharge those legal functions that are delegated to the Chief Executive. The Monitoring Officer has asked the Director of HR/OD to fulfil this proper officer function on her behalf and it will therefore be the Director of HR/OD who gives the necessary notice to the Leader and Cabinet and confirms whether any objections have been received within the relevant period.

### **Members are asked:**

Members are asked to agree the following recommendations:

- To approve the appointment of Rick O'Farrell as Interim Head of Paid Service and Chief Executive on a full-time salary of £202,117.00 until a substantive appointment is made to the post of Head of Paid Service and Chief Executive.
- To recommend to Full Council that Rick O'Farrell be appointed as the Interim Head of Paid Service and Chief Executive on a temporary basis.

- To note that the arrangements for the appointment of a permanent Head of Paid Service and Chief Executive will be considered as part of the ongoing review of the senior management structure which will include the arrangements for a formal recruitment process for the appointment of a permanent Chief Executive / Head of Paid Service for Northumberland County Council.

### **Implications**

<b>Policy</b>	Oversight of HR Policies and Procedure
<b>Finance and value for money</b>	An interim arrangement is deemed to be appropriate in relation to finance and value for money and it is a statutory requirement that the Council has a Head of Paid Service in situ. The cost of the appointment can be met from existing budgets.
<b>Legal</b>	The Local Government and Housing Act 1989 section 4 requires that the Council designate one of its officers as Head of the Paid Service.
<b>Procurement</b>	n/a
<b>Human Resources</b>	The interim appointment has been made in line with appropriate interim employment recruitment processes. Relevant legal implications have been set out in the body of this report.
<b>Property</b>	N/A
<b>Equalities</b> (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	The recruitment for this process has been in line with best practice in relation to promoting equality and diversity within the Council's recruitment processes.
<b>Risk Assessment</b>	Consistent with Independent Corporate Governance Review (Caller Report)
<b>Crime &amp; Disorder</b>	N/A
<b>Customer Consideration</b>	N/A
<b>Carbon reduction</b>	N/A
<b>Health and Wellbeing</b>	The recommendations will support the health and wellbeing of Council Employees at varying levels within the organisation
<b>Wards</b>	The recommendations not related to any particular ward but cover the whole of Northumberland.

### **Report sign off.**

***Authors must ensure that officers and members have agreed the content of the report:***

	Full Name of Officer
Monitoring Officer / Interim Director of Governance	Suki Binjal
Executive Director of Finance & S151 Officer	Jan Willis

Deputy Chief Executive	Discharged by the Monitoring Officer and Interim Director of HR/OD
Chief Executive	N/A
Portfolio Holder(s)	N/A

**Authors and Contact Details**

*This report has been prepared by HR & OD Service Director  
Contact details:*