



Northumberland County Council

STAFF & APPOINTMENTS COMMITTEE

20th December 2022

PROPOSED APPOINTMENT PROCESS – EXECUTIVE DIRECTORS

Report of the Interim Chief Executive

Purpose of the Report

This report sets out the proposed appointment process of a team of permanent Executive Directors to replace the interim arrangements currently in place. Approval was given to implement a revised executive structure for the Council at Staff and Appointments Committee held on 20 September 2022 (see background information).

This report aims to set out the structure of the permanent appointment processes and remind the committee of the requirements under the Officer Appointment Procedure Rules in relation to the appointment of all Chief and Deputy Chief Officers.

Recommendations

To agree the following recommendations:

1. Approve the proposed Job Descriptions for 5 Executive Director roles: Executive Director - Children and Young People (DCS); Executive Director - Adults, Ageing and Wellbeing (DASS); Executive Director – Public Health, Inequalities and Stronger Communities (DPH); Executive Director – Place and Regeneration; Executive Director – Transformation and Resources (s151). All Job Descriptions appear at Appendix 1 of this report
2. To approve the continued engagement of Penna Executive Recruitment in line with the previous procurement process
3. Approve the proposed outline timetable and methodology for the recruitment process for all the Executive Directors attached as Appendix 2 to this report.
4. Approve the remuneration for exceptional Executive Director candidates at the top of Band 18 (£162,285).
5. Extend interim arrangements for those acting up into roles that meet the definition of Chief Officer and Deputy Chief Officer until such time as permanent appointments are made – schedule attached at Appendix 3.

6. As a result of Rick O'Farrell leaving the Council in February 2023, approve the interim appointment of Janice Rose as interim Executive Director – Regeneration until such time as the permanent appointment to the role of Executive Director – Place and Regeneration is made.
7. If the above interim appointment is approved, approve the backfilling of Janice Rose's interim post of Service Director – Regeneration by Sarah MacMillan until such time as a permanent appointment to the role of Executive Director – Place and Regeneration is made.
8. As a result of Liz Morgan's retirement in January 2023, approve the interim appointment of Gill O'Neill as Interim Executive Director - Public Health, until such time as the permanent appointment is made to the role.
9. All Chief Officer and Deputy Chief Officer roles whether permanent or interim are approved subject to no substantial and well-founded objections being notified by the Leader of the Council, in accordance with Part 4.3 of the Constitution (Officer Employment Procedure Rules).
10. Note the re-advertisement of the previously approved Director of Corporate Law and Governance (MO).

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

- It was recommended by this committee on the 27th July 2022 to Full Council, that Mr Rick O'Farrell be appointed on an interim basis as Chief Executive and Head of Paid Service until a permanent appointment could be made. The interim job description aligned to Mr O'Farrell's appointment sets out that one of the primary roles will be to restructure the Executive Team and recruit permanent roles including a permanent Head of Paid Service and Chief Executive.
- A Head of Paid Service and Chief Executive was selected in October 2022; this committee recommended to Full Council that Dr Helen Paterson be appointed. Full Council approval of the appointment was agreed on 2 November 2022. Dr Helen Paterson is due to assume her role on 8 February 2022. The appointment of Head of Paid service and Chief Executive has been finalised, and it is now necessary to appoint a permanent executive team.
- In late summer of 2021 the Council carried out a procurement process and appointed Penna PLC - who provide Executive search services. Given that a procurement exercise had previously been carried which awarded Penna the contract to review the Senior Council Officer structure, and within that made provisions for the necessary recruitment of Executive roles to be undertaken by Penna, the timetable within appendix 2 has been drawn up based on their involvement and the need to progress at pace.
- In order to secure the best field of quality candidates these roles have been advertised nationally via Penna. Adverts closed on 12 December 2022.
- The Council has been without a stable Leadership Team for some time and the proposed methodology of recruitment is aimed at ensuring longevity of appointments going forward.
- The vacant roles within the executive team have been filled using acting up arrangements and postholders have been designated 'interim' on this basis. These arrangements are proposed to be extended for 6 months, or until such time that permanent appointments are made. It is anticipated that all Executive appointments will assume their roles by the end of 31 July 2023.

- Rick O'Farrell has held a dual interim role of Chief Executive and Executive Director of Regeneration. When Mr O'Farrell leaves his interim Chief Executive post on 7 February 2023 he will also relinquish his Executive Director of Regeneration role. It is proposed that Janice Rose act up into this role on an interim basis until such time that the Executive Director – Place and Regeneration role is appointed to.
- If the above interim proposal is approved, Janice Rose will vacate the role of Service Director – Regeneration which she has been undertaking on an interim basis since February 2022. It is proposed that Sarah MacMillan instead acts up into the role of Service Director – Regeneration on an interim basis until such time that a permanent appointment to the role of Executive Director – Place and Regeneration is made.
- Liz Morgan has indicated her intention to retire at the end of January 2023. It is proposed that Gill O'Neill act up into the role on an interim basis until such time that the Executive Director – Public Health, Inequalities and Stronger Communities is appointed.
- The roles of Executive Director of Regeneration and Executive Director – Public Health are both Chief Officer roles. Therefore, the Officer Employment Procedure Rules apply. This means that this Committee must approve the interim appointments of Janice Rose and Gill O'Neill. Following approval by the Committee, the Proper Officer designated for this purpose, who is the Chief Executive, 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.

Benchmarking

Salary benchmarking information was requested via Penna. The full entirety of their findings is available at appendix 4. Considering the findings of this exercise, the suggested salary band for Executive Director roles is Band 18 and band 17 for the Director of Law and Corporate Governance (MO).

Band 18 currently consists of 2 pay points - £150,820 and £162,285. The intention is to make offers at the lower pay point but, in circumstances that warrant it and due to candidate salary expectations, we require the ability to offer up to the higher pay point in order to secure an exceptional candidate.

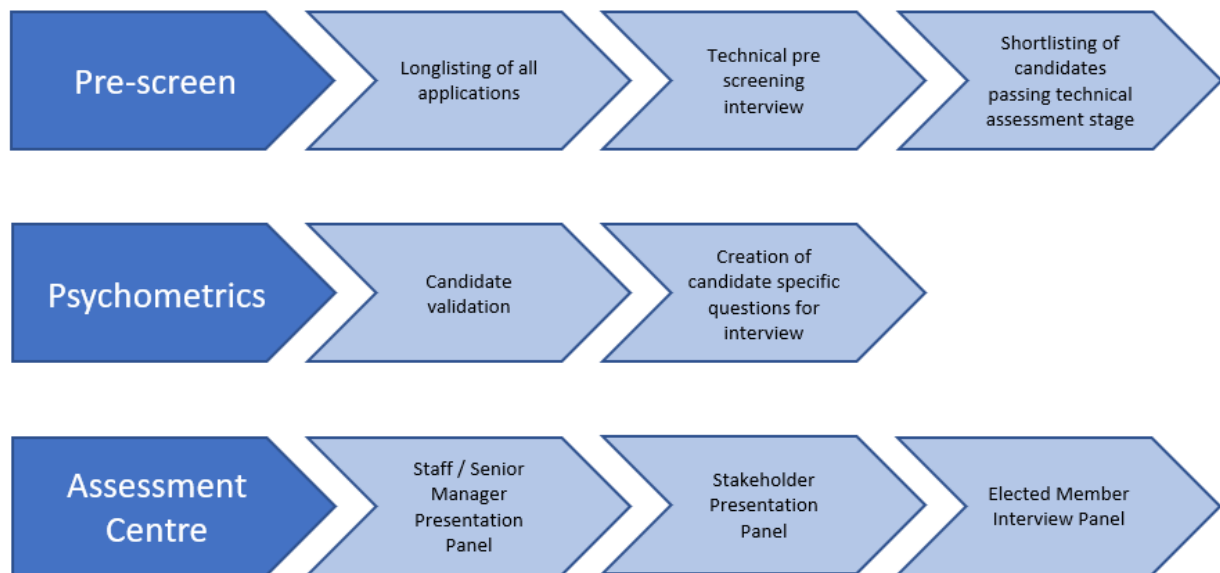
Outline Recruitment timeline and process/methodology

1. Recruitment Foundations

The first step is to be very clear on what a good Executive Director looks like, so there is a clear and common understanding of the fundamental criteria of these leadership positions. This includes a :

- Review of the values, code of conduct and Nolan Principles to ensure that they are 'operationalised' to give clear, simple, selection criteria.
- Review of Job descriptions, person specifications and candidate packs – are they inclusive, unambiguous and inviting

2. Process



- First stage pre-screening interview to check for initial suitability against the essential criteria. This will be conducted by Penna accompanied by technical experts specific to the role.
- Psychometric Assessment to gain information on candidate personality and potential suitability against the role profile. Psychometric assessment will also allow the mapping of desirable values and behaviours against personality attributes and traits. Candidates will be asked to devise a presentation to the interview panel based on their individual profile.

The tool that is proposed to be used is called 'Lumina' and will be administered by a company called 'Odyssey'. An example lumina report is available at appendix 5.

The report will be written with specific emphasis on the Nolan Principles/code of conduct and the council's values.

In addition, it is proposed that we use the 'Leadership Judgement Indicator' or 'LJI'. This is a judgement test that seeks to demonstrate the quality of decisions taken by a leader and identify their preferred leadership style.

- Creation of an Executive Director Assessment Centre. This will be designed to be delivered in-person, using a combination of in-house assessors and co-ordinators and external support from Penna. For each role this will include:
 - A presentation to a comprehensive panel of staff / senior managers
 - A presentation to a comprehensive panel of key stakeholders*
 - A Structured interview conducted by a cross-party panel comprising group leaders and portfolio holders**.

* The assessment for the role of Director of Corporate Law and Governance will not include a stakeholder panel due to its predominantly internal focus.

** The structured interview for the Executive Director of Public Health, Inequalities and Stronger Communities (DPH) will also include a faculty representative and regional Director of Public Health as this is a DoH requirement.

3. Timeline

The draft timeline is available in Appendix 2. The process has been structured to keep to very tight timelines, keeping candidate interest and momentum, while affording the opportunity to ensure all constitutional approval requirements are fully adhered to.

4. The next steps

For all roles, once a preferred candidate has been identified, the Staff and Appointments Committee will meet and consider approval of the appointment. For the roles of Executive Director – Transformation and Resources (s151) and Director of Corporate Law and Governance (MO) the Staff and Appointments Committee will meet and consider approval of the appointment before making a recommendation to Full Council.

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 appointments of the roles of Executive Director - Children and Young People (DCS); Executive Director - Adults, Ageing and Wellbeing (DASS); Executive Director – Public Health, Inequalities and Stronger Communities (DPH); Executive Director – Place and Regeneration; Executive Director – Transformation and Resources (s151) and Director of Corporate Law and Governance (MO) on a salary of over £100,000 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”.

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. These provisions also apply whether the appointment is permanent or interim.

Implications

Policy	Oversight of HR Policies and Procedure
Finance and value for money	Permanent appointments are deemed to be appropriate in relation to finance and value for money. The cost of the appointments can be met from existing budgets. Contingency funding is available to meet the cost of interim arrangements pending appointments to the new structure.
Legal	<p>The functions of the Staff and Appointments Committee are as follows:</p> <ul style="list-style-type: none"> a. To discharge the Council's functions of the employer in relation to the Chief and Deputy Chief Officers. Chief Officer is defined as the Head of Paid Service, the Monitoring Officer and any officer as defined in S.2 (1) (b) (c) and (d) of the Local Government and Housing Act 1989. b. To consider, approve, or make recommendations to the County Council, in relation to any changes to the overall structure of the Council's workforce, and the number and designation of Chief Officer and Deputy Chief Officer posts. c. To determine the terms and conditions relating to employees of the County Council to include the remuneration and terms and conditions of employment for the Head of Paid Service and Chief and Deputy Chief Officers.
Procurement	Agreed via procurement process through Full Council for Penna PLC
Human Resources	The appointments will be made in line with appropriate employment recruitment processes. Relevant legal implications have been set out in the body of this report.
Property	N/A
Equalities (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A X	The recruitment process for these posts will be in line with best practice in relation to promoting equality and diversity within the Council's recruitment processes.
Risk Assessment	Consistent with Independent Corporate Governance Review (Caller Report)
Crime & Disorder	N/A
Customer Consideration	N/A
Carbon reduction	N/A
Health and Wellbeing	The recommendations will support the health and wellbeing of Council Employees at varying levels within the organisation
Wards	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
Interim Chief Executive	Rick O'Farrell in conjunction with the Interim Service Director for HR/OD
Portfolio Holder(s)	Staff & Appeals Committee

Linked reports

- 20th of September 2022 Staff and Appointments Committee report details of the revised executive management structure.
- 15th of August 2022 Staff and Appointments Committee report details proposed appointment process for the Director of Law & Corporate Governance.

Background information

N/A

Authors and Contact Details

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