Report of: Head of Human Resources

Date: 11 December 2014

APPOINTMENT TO THE POSITION OF CHIEF EXECUTIVE

1. Introduction

This report seeks approval to commence recruitment into the vacant position of Chief Executive, and for the terms and conditions for that appointment, in accordance with Welsh Government guidance under the Localism Act.

2. Terms and conditions

2.1 The vacancy affords an opportunity to review the level of remuneration for the position, and in particular to consider the case for aligning it more closely to prevailing market rates. Current policy provides for a five point salary scale from £156,720 to a maximum of £172,392 per annum.

2.2 Research carried out by the Local Government Association suggests that the median average maximum salary in England and Wales for chief executives of unitary authorities in the relevant population band is £147,696. Within the other 21 Welsh Councils, salaries for chief executives currently range from £100,355 per annum to £181,645 per annum, with a median average of £132,400. There is therefore evidence that the Authority's current pay practice is somewhat atypical, and suggests that there is scope to move it closer to that of other, comparable councils.

2.3 In the last cycle, Members approved a 'spot' salary of £145,000 per annum for the interim position of Acting Head of Paid Service. That level of remuneration, if adopted for the vacancy, would position the Authority competitively in the market for top managers in local government, whilst maintaining an appropriate differential with Directors. It is further proposed that all other contractual benefits are henceforth equated to those currently applicable to Directors. Overall, it is considered that these changes would result in a remuneration package that remains sufficiently attractive for recruitment and retention purposes, whilst also enabling the Authority to achieve a significant saving in its top management costs.

2.4 Welsh Government guidance under section 40 of the Localism Act, places a duty on authorities to consult the Independent Remuneration Panel for Wales (the IRP) on any proposed change to the salary of its Head of Paid Service, and to consider any recommendation that it decides to make. The IRP has been consulted on the salary change proposal described in paragraph 2.3 above. The Panel has chosen to exercise its
discretion to recommend a variation to the proposal, suggesting a salary level of £130,000 per annum which it believes is more proportionate to the Authority’s size. The full text of the Panel’s recommendation is appended to this report. Members are therefore asked to determine the appropriate salary level for the position, within the range outlined above, having regard to the Panel’s recommendation.

3. Recruitment advertising and the selection process

3.1 The Local Authorities (Standing Orders) (Wales) (Amendment) Regulations 2014 require that councils must advertise externally any chief officer position with remuneration set at or above £100,000 per annum and the Authority would in any event wish to do so.

3.2 The Council’s Constitution states that appointing to the post of Chief Executive is a function of Full Council, but with the recruitment and selection process devolved to the Senior Staff Committee, who will make recommendations to Council. It is therefore envisaged that the Committee will engage in the initial planning of the exercise, including, for example, the key tasks of approving the job description, screening applications and compiling a short-list, as well as conducting initial candidate interviews and assessment. In this way, the process will, necessarily, be Member-led, with professional advice and support from the HR Division. The process will culminate in the strongest candidates, as identified by the Senior Staff Committee, being invited to appear before an Extraordinary Meeting of Full Council, at which the final selection decision would be made.

3.3 The precise timescale for the exercise remains to be decided by the Committee, but at this stage, and subject to Members’ approval of revised terms and conditions as described above, it is envisaged that recruitment advertising will take place in January or February 2015, with the subsequent selection process completed in early March.

RECOMMENDATIONS:

1. That the salary level for the position of Chief Executive be determined within the parameters set out in the report.

2. That recruitment to the vacant position of Chief Executive be initiated in accordance with the proposals set out in the report.

Background Documents:
(2) The Local Authorities (Standing Orders) (Wales) (Amendment) Regulations 2014.
(3) Welsh Government: Pay Accountability in Local Government in Wales; guidance under the Localism Act