

Report of:	Chair of Chief Officer Appointments Committee
Submitted to:	Council
Date:	22 March 2023
Title:	Appointment of an Interim Chief Executive and arrangements for appointment of an interim S151 Officer
Report for:	Decision
Status:	Public
Strategic priority:	All
Key decision:	Not applicable
Why:	Not applicable
Urgent:	Not applicable
Why:	

Executive summary

Following the announcement of the departure of the Chief Executive from the council on 24 March 2023, the Chief Officer Appointments Committee met on Tuesday 14 March 2023, to consider a candidate for the role of Interim Chief Executive.

The committee was also asked to consider interim arrangements regarding the section 151 officer role and to make a recommendation to full Council concerning the temporary re-designation of that function.

Council is requested to confirm the recommendations of the Chief Officer Appointments Committee regarding the appointment of an interim Chief Executive and the re-designation of the role of section 151 officer.

Purpose

1. The purpose of the report is to confirm the appointment of the Interim Chief Executive/Head of Paid Service.

Council is also asked to note the proposals regarding the arrangements for the interim section 151 officer role and to agree the temporary re-designation of that function to the Head of Financial Planning and Support.

Background and relevant information

2. Given the impending departure of the Chief Executive (Head of Paid Service) on 24th March 2023 the council is required to make alternative arrangements to urgently fulfil the Chief Executive (Head of Paid Service) function. It is a legal requirement under section 4 Local Government and Housing Act 1989 for the council to have a Head of Paid Service and therefore arrangements need to be put in place at pace. As members will be aware, the council has a number of significant challenges at present, including a Best Value notice, children's services improvement journey and significant financial challenges, all of which require strong leadership at officer level. The council requires an experienced leader who can grip the issues straight away and drive transformational change, maintaining important relationships not least with the Department for Levelling Up Housing and Communities.
3. Permanent recruitment for a Chief Executive can take up to 5 months (allowing for notice period) and therefore an interim appointment is required now. There were 11 candidates considered initially and a summary of the candidates considered is shown below.

Candidate	CEX Experience in Unitary authority	Strong Financial Background	Children's Services Experience	Improvement experience	Comments
1	Y	N	Y	N	
2	Y	N	N	N	Limited CEX experience
3	N/A	N/A	N/A	N/A	Unwilling to share CV confidentially
4	Y	N	Y	N	Linked with cause of government intervention
5	N	N	N	N	
6	N/A	N	N/A	N/A	Secured alternative post
7	Y	N	Y	N	Poor Ofsted in previous role
8	N	N	N	N	City Council only
9	N/A	N/A	N/A	N/A	Withdrew no longer available
10	Y	N	N	N	Regeneration Focus – too narrow
Clive Heaphy	Y	Y	Y	Y	Background as a section 151 officer and interim CEX in councils with intervention

4. From this sifting process, a candidate meeting our required criteria was put forward for consideration by Chief Officer Appointments Committee. The preferred candidate is Clive Heaphy. Clive is engaged by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the salary he will receive from CIPFA for the interim role will be no more than a salaried Chief Executive would receive if

employed by the council. The additional cost to the council as set out in paragraphs 16 and 17 of the report relate to the on costs to CIPFA of Mr Heaphy’s employment plus CIPFA’s expertise in providing an experienced interim Chief Executive who meets our criteria, has the relevant expertise and is able to meet our challenges immediately and at pace. The amount to be paid is the market rate to engage an interim Chief Executive.

5. On 23rd February 2023, the Chief Officer Appointments Committee delegated authority to the Chief Executive, in consultation with a representative group of members from the committee to secure the appointment of an interim section 151 officer. It is proposed that the new interim Chief Executive should make the interim section 151 officer appointment as one of the first tasks of their new role.
6. Having considered a report by the Monitoring Officer, the Chief Officer Appointments Committee decided as follows:
 - That a report should be submitted to council seeking approval for Clive Heaphy to be appointed as the Interim Chief Executive/Head of Paid Service;
 - Subject to Council confirmation, a formal offer be made for an initial period of up to twelve months, to allow flexibility for the further senior management reviews that will commence during that period; and
 - Request that Council note the proposals regarding the arrangements for the interim section 151 officer role and to recommend the temporary re-designation of that function to the Head of Financial Planning & Support.
7. For context in terms of cost, Senior Manager roles in the Tees Valley are shown below. These are basic salaries and would attract significant on costs.

Stockton*	Managing Director	£163,310
Hartlepool	Managing Director	£156,884
Middlesbrough	Chief Executive	£156,884
Darlington	Chief Executive	£153,160
Redcar	Managing Director	£142,719
*also pay £10,560 for Deputy CEX		

What decision(s) are being recommended?

8. That full Council approves:
 - The appointment of Clive Heaphy as the Interim Chief Executive/Head of Paid Service for a period of up to 12 months.
 - The temporary re-designation of the section 151 officer function to the Head of Financial Planning and Support.

Rationale for the recommended decision(s)

9. It is recommended that the interim arrangements are made in order that the council is not left in a position of not having a Head of Paid Service (currently allocated to the role of Chief Executive) or a Section 151 Officer, both of which roles the council is legally required to have.
10. There is no capacity within the existing director roles to take on the Head of Paid Service role, at a time when the council is on a transformational change journey in relation to culture, financial resilience and children's services improvement. It is imperative that the council has dedicated focussed resources to tackle the challenges it faces.

Other potential decision(s) and why these have not been recommended

11. Council could reallocate the role of Head of Paid Service to an existing Director as an interim measure and not fill the role of Chief Executive until a permanent appointment is made. This is not recommended as it would create too much risk given the limited capacity of existing directors and the particular challenges that the council currently faces around governance, financial resilience and the children's services improvement journey.

Impact(s) of the recommended decision(s)

Legal

12. The Head of Paid Service is a statutory post, required by section 4 Local Government and Housing Act 1989 and is currently allocated to the Chief Executive. The Council is also required by law to have a designated S151 Officer.

Strategic priorities and risks

13. Risk of not meeting the multiple challenges the council faces, making the required improvements around governance improvement and children's services savings required.
14. Risk of not having a Head of Paid Service and a designated S151 officer in place.

Human Rights, Equality and Data Protection

15. No protected groups are affected by the decision.

Financial

16. The budgeted cost for the Chief Executive salary plus on costs (employer NI and pension contributions) equates to just under £200,000. The proposed interim Chief Executive will have a 2 month notice period and would be engaged for as long as required up to a maximum of 12 months, with a capped cost to the council of £234,000. The preferred candidate is a consultant with the Chartered Institute of Public Finance and Accountancy (CIPFA).

17. The cost of engaging Clive Heaphy via CIPFA will be fully funded from the overall Chief Executive's budget for 2023/24 of approximately £235,000. This will mean that for 2023/24 there will be no funding available for any discretionary expenditure for corporate initiatives, which if required will need to be funded through other departmental budgets.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Offer of Appointment	Charlotte Benjamin, Monitoring Officer	22 nd March 2023

Appendices

N/A

Background papers

None

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