

MIDDLESBROUGH COUNCIL

Report of:	Chair of Chief Officer Appointments Committee
Relevant Executive Member:	Executive Member for Finance and Governance
Submitted to:	Council
Date:	27 November 2024
Title:	Appointment of Chief Executive
Report for:	Decision
Status:	Public
Council Plan priority:	Delivering Best Value
Key decision:	Not applicable
Why:	Not applicable
Subject to call in?:	Not applicable
Why:	Not applicable

Executive summary

Chief Officer Appointments Committee have selected a proposed candidate for the post of Chief Executive (Head of Paid Service) and Council is recommended to appoint Erik Scollay to the post and to delegate authority to the Monitoring Officer to issue notice on the contract with CIPFA for the provision of the Interim Chief Executive.

Council is asked to consider the designation of the section 151 officer to the revised role of Director of Finance and Transformation.

Council is asked to note the appointment of Andrew Humble to the Director of Finance and Transformation post and delegate authority to the Monitoring Officer to issue notice with the agency to end the engagement of Debbie Middleton as Director of Finance.

1. Purpose

- 1.1 Council is asked to appoint the Chief Officer Appointment Committee's preferred candidate, Erik Scollay, to the post of Chief Executive and to delegate authority to the Monitoring Officer to issue notice on the contract with CIPFA for the provision of the Interim Chief Executive.
- 1.2 Council is asked to note the appointment of Andrew Humble to the Director of Finance and Transformation post and delegate authority to the Monitoring Officer to issue notice with the agency to end the engagement of Debbie Middleton as Director of Finance.
- 1.3 The section 151 officer statutory function was designated to the Director of Finance role following a report to council on the 24th May 2023. The role was reviewed prior to advertising in September 2024 and now has a wider remit to include transformation. It is intended that the role of Director of Finance and Transformation will replace the previous Director of Finance role and therefore council is asked to consider the designation of section 151 officer to this revised role.

2. Recommendations

2.1 That Council

APPROVES

- the appointment of Erik Scollay to the post of Chief Executive
- the delegation of authority to the Monitoring Officer to issue notice on the contract with CIPFA for the services of the interim Chief Executive.
- the designation of the section 151 officer role to the Director of Finance and Transformation
- the delegation of authority to the Monitoring Officer to issue notice on the agency engagement of the interim Director of Finance

NOTES

- that subject to council's approval of the appointment of Erik Scollay to the post of Chief Executive, it is intended that Erik Scollay will take up post with immediate effect and a period of handover between the former interim Chief Executive and the incoming Chief Executive will follow during the notice period of the council's contract with CIPFA, during which time Clive Heaphy will be engaged as Consultant to the Council to support the transition.
- the appointment of Andrew Humble to Director of Finance and Transformation with the designation as section 151 officer to come into effect upon the termination of the existing interim's contract in late December 2024.
- the significant contribution of the interim Chief Executive and the interim Director of Finance in shaping the council's improvement journey.

3. Rationale for the recommended decision(s)

- 3.1 The Chief Executive fulfils the Head of Paid Service role which is one of the three statutory posts that the local authority is required to have, along with the Section 151 Officer and the Monitoring Officer.
- 3.2 The Corporate Governance Improvement Plan contains an action to ensure stable and sustainable leadership, the appointment of a permanent Chief Executive and section 151 officer are key milestones in fulfilling that action.
- 3.3 Council acknowledges the importance of appointing a substantive Chief Executive for Middlesbrough and the immediate appointment of Erik Scollay will provide both the maximum preparation time for the Council's senior management team in advance of the LGA Corporate Peer Review in January and a sense of progress and future stability for Council staff more broadly.
- 3.4 The valuable contribution of the Interim Chief Executive to improvement of the council to date is noted, and it is proposed that during the notice period a handover process would be provided for the incoming Chief Executive.

4. Background and relevant information

- 4.1 The Interim Chief Executive has been in place following council approval on 22nd March 2023 and was originally approved for up to 12 months. On the 17th of January 2024 Council approved the recommendation of Chief Officer Appointments Committee, held on the 12th January 2024, to extend the arrangement for up to a further 12 months pending permanent recruitment.
- 4.2 The permanent post was advertised for 4 weeks over September/October 2024 and shortlisting took place on 24th October 2024.
- 4.3 A recruitment process was carried out over the 11th, 12th and 13th November 2024 to select a preferred candidate for the role of Chief Executive.
- 4.4 Six candidates took part in the process which comprised:
- A technical Interview
 - A cross party member panel
 - A staff panel
 - A meeting with Middlesbrough Independent Improvement Advisory Board
 - A stakeholder panel
 - Formal interview with Chief Officer Appointments Committee.
- 4.5 Following formal interview and feedback from the panels Chief Officer Appointment Committee selected Erik Scollay as the preferred candidate.

4.6 In accordance with the Officer Employment Procedure Rules the Executive were notified on the 13th November 2024 and given a three day window of opportunity to raise any material or well-founded objections, none were raised.

4.7 The Director of Finance (section 151 officer) is currently covered by an interim Debbie Middleton and the interim arrangement has been in place since May 2023. The interim arrangement was extended following a report to council on 17th January 2024 pending permanent recruitment.

4.8 Prior to advertising the Director of Finance role was reviewed and the remit extended to include transformation and the role is now Director of Finance and Transformation.

4.9 The council is required by law to have a section 151 officer role and it is appropriate that this be designated to the Director of Finance and Transformation as the senior officer responsible for finance.

4.10 The Director of Finance and Transformation was advertised and shortlisted on the same timeline as the Chief Executive and the recruitment took place on 15th November 2024.

4.11 Two candidates took part in the process which comprised;

- A technical Interview
- A cross party member panel
- A staff panel
- Formal interview with Chief Officer Appointments Committee.

4.12 Following formal interview and feedback from the panels Chief Officer Appointment Committee selected Andrew Humble as the successful candidate.

4.13 In accordance with the Officer Employment Procedure Rules the Executive were notified on the 18th November 2024 and given a three day window of opportunity to raise any material or well-founded objections, none were raised.

4.14 It is planned for Andrew Humble to take up the role of Director of Finance and Transformation from 1st January 2025.

5. Other potential alternative(s) and why these have not been recommended

5.1 If the appointment is not approved we would continue with an Interim Chief Executive which would not provide the sustainable leadership required for the council to continue its improvement journey and drive forward the transformation required.

6. Impact(s) of the recommended decision(s)

Topic	Impact
Financial (including procurement and Social Value)	If Erik Scollay is appointed 2 months' notice will be issued on the contract with CIPFA in accordance with the terms and conditions of the contract for the provision of the current Interim Chief Executive. The cost incurred during the notice period is circa £40,000.
Legal	<p>In line with the Officer Employment Procedure Rules in the Constitution the appointment of the Head of Paid Service (designated to the Chief Executive post) shall be approved by Full Council following the recommendation of the Chief Officer Appointments Committee.</p> <p>Council are required to designate the section 151 officer role.</p>
Risk	<p>The recommendation will positively impact on the following risks contained within the Council's Strategic Risk Register:</p> <ul style="list-style-type: none"> • SR07 - If the Council is unable to recruit and retain key staff in Leadership Positions, then this could impact on their ability to provide effective leadership, deliver critical services which could cause harm to people and could result in government intervention. <p>SR09 - If the Council's Corporate Governance arrangements are not fit for purpose and appropriate action is not taken to rectify this at pace, this could result, censure from the Council's auditors within a public interest report that would damage the Council's reputation and/or in government formal intervention including removal of powers from officers and members and direction of council spend.</p>
Human Rights, Public Sector Equality Duty and Community Cohesion	No Impact
Climate Change / Environmental	No Impact
Children and Young People Cared for by the Authority and Care Leavers	No Impact
Data Protection	No Impact

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

Action	Responsible Officer	Deadline
Issue appointment letter and contract of employment for Chief Executive and Director of Finance and Transformation	Nicola Finnegan Head of Human Resources	Following approval
Issue notice on CIPFA contract for the supply of the Interim Chief Executive	Charlotte Benjamin Director of Legal and Governance Services	28 th November 2024
Issue notice to the agency for provision of Interim Director of Finance	Charlotte Benjamin Director of Legal and Governance Services	28 th November 2024

Appendices

None

Background papers

Reporting body	Report title	Date
Council	Senior Management Arrangements	22 nd March 2023
Council	Designation of section 151 officer role	24 th May 2023
Council	Senior Management Arrangements	17 th January 2024

Contact: Nicola Finnegan Head of Human Resources
Email: Nicola_finnegan@middlesbrough.gov.uk