

# **GOVERNANCE COMMITTEE SUPPLEMENTARY AGENDA**

**13 January 2016**

The following report is attached for consideration and is submitted with the agreement of the Chairman as an urgent matter pursuant to Section 100B (4) of the Local Government Act 1972

- 5 THE RECRUITMENT & SELECTION PROCESS FOR THE APPOINTMENT OF A NEW CHIEF EXECUTIVE AND REVIEW OF THE SALARY ATTACHED TO THE POST** (Pages 1 - 12)

Report attached

- 6 SEALING OF COUNCIL DOCUMENTS AND DELEGATION TO LEGAL OFFICERS** (Pages 13 - 18)

Report attached

**Andrew Beesley  
Committee Administration  
Manager**

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**GOVERNANCE COMMITTEE**

13 January 2016

Subject Heading:

**THE RECRUITMENT & SELECTION  
PROCESS FOR THE APPOINTMENT OF  
A NEW CHIEF EXECUTIVE AND  
REVIEW OF THE SALARY ATTACHED  
TO THE POST**

CMT Lead:

**Cheryl Coppell**  
Chief Executive

Report Author and contact details:

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Policy context:

Confirmation of the appointment to the  
Chief Executive (Head of Paid Service)  
post is the responsibility of the full Council  
under Part 2, Article 4.01 of the Council's  
Constitution.

Financial summary:

The recruitment and advertising, and on-  
going salary costs can be met from within  
existing resources.

**The subject matter of this report deals with the following Council  
Objectives**

Havering will be clean and its environment will be cared for	[X]
People will be safe, in their homes and in the community	[X]
Residents will be proud to live in Havering	[X]

**SUMMARY**

This report details the arrangements for advertising and appointing to the post of Chief Executive and recommends that the Committee reviews the salary attached to the post.

**RECOMMENDATIONS**

Committee is asked to:

1. **Determine** the salary to be applied to this post;
2. **Note** that the post will be advertised externally;
3. **Note** the indicative timetable for the recruitment process;
4. **Note** the executive recruitment consultants to be appointed; and
5. **Note** that the detailed arrangements for the recruitment and selection process will be handled by the oneSource Director of HR & OD, in consultation with the Leader of the Council.

**REPORT DETAIL**

In accordance with best practice, it is proposed that the Chief Executive's post is advertised externally on a national level. The advertisement for the post will be placed in the week commencing 8<sup>th</sup> February 2016 with a closing date of 22<sup>nd</sup> February (an outline job profile for the post is attached as Appendix 1).

**Remuneration**

1. The Councils pay policy statement is produced in accordance with Chapter 8 of the Localism Act 2011 which requires the Council to prepare a pay policy statement by the 31 March each year before it comes into force.
2. The Council's current pay policy statement was approved by a meeting of full Council on 25 March 2015. It is made available on the Council's website which also includes separately published data on salary information relating to the Council's senior management team.
3. Under the Localism Act 2011, Chief Officers in Havering are defined as those remunerated on the following grades:
  - a. HG1 (Chief Executive)
  - b. HG2/HG2S (Group Director)
  - c. HG3 (Director/Head of Service)
  - d. HS1/2/3 (Other Head of Service/Assistant Director)

**Governance Committee, 13 January 2016**

4. The Council's next pay policy statement will be for the year 2016/17 and will be submitted to a meeting of full Council for approval by 31 March 2016.
5. The Chief Executive is also the statutory Head of Paid Service under the Local Government and Housing Act 1989 whilst also undertaking Returning Officer duties at election times.
6. The Chief Executive role is paid on the HG1 grade on a spot salary. As at 31 March 2014, the annual Full Time Equivalent spot salary is £163,920pa. The value of the spot salary is increased in accordance with the Joint Negotiating Committee for Chief Executives of Local Authorities with effect from 1<sup>st</sup> April each year. However, this rate has been unchanged since 2008 as there has been no pay award for Chief Officers since that date.
7. The Chief Executive role is entitled to receive a separate Returning Officer fee in respect of elections.
8. The Chief Executive role receives no other bonuses, overtime or any other additional salary payments.
9. London Councils conducts an annual survey of chief officers' remuneration. The 2015 results of this survey shows Chief Executives salaries across London as:

	<b>Minimum £</b>	<b>Maximum £</b>	<b>Actual £</b>
<b>Average</b>	170,010	187,436	182,753
<b>Median</b>	169,304	188,885	181,542
<b>Upper Quartile</b>	179,133	194,915	191,773

10. It should be noted that the current Chief Executive's salary at £163,920 is below the minimum median salary in London. This makes the current salary uncompetitive and could make it difficult to attract and recruit a sufficient pool of quality candidates to this position.
11. It is therefore proposed that the Chief Executives salary is revised to a spot salary of £170,000 to bring it in line with the average minimum salary across London. In addition, the Chief Executive post will continue to be entitled to receive a separate Returning Officer fee in respect of elections.
12. The Council's pay policy statement will need to be revised within the annual review process to reflect the change to the Chief Executives salary.
13. A Council wide review is currently under way of all employees terms and conditions of employment as part of the Councils Medium Term Financial Strategy and associated budget reductions. It is proposed that this review should exclude the revised Chief Executives salary.

### **The Recruitment Process**

14. The intention is to advertise the Chief Executive's post early in February 2016. Depending on the number of applicants for the post, a long-listing process may need to be undertaken prior to any shortlisting exercise. Both of these exercises will be undertaken by the Appointments Sub Committee with support from the oneSource Director of HR & OD, the Council's Executive Recruitment Consultants and the current Chief Executive. The selection process will take place from the closing date throughout March with an offer made to the successful candidate by the end of March subject to approval by full Council. It is anticipated that a new Chief Executive will be in place by the beginning of July 2016 (although this will depend on the notice period that the successful candidate is required to serve) to allow a handover period and as smooth a transition as possible.

### **Selection of Executive Recruitment Consultants**

15. Penna have been appointed as the Executive Recruitment Consultants supporting this recruitment process as part of the ESPO (Eastern Shires Purchasing Organisation) Framework agreement part 3a.
16. Penna have been be briefed on the Council's requirements and will assist the oneSource Director of HR&OD with the selection process.

## **IMPLICATIONS AND RISKS**

### **Human resources implications and risks**

Recruitment for a new Chief Executive will be managed in accordance with the Constitution, Pay Policy and within National Chief Officer Terms and Conditions of Service and will require support of an Executive Search agency. Interviews by the Appointments Committee are anticipated in March 2016. The current Chief Executive will need to tender her resignation under normal contractual notice periods

### **Financial implications and risks**

It is anticipated that the estimated external recruitment costs can be met from temporary resources made available from the current Chief Executive's flexible retirement and voluntary reduction in salary. The cost of the recruitment will vary depending on the number of candidates. Any shortfall, although not currently expected, will be met from contingency.

The on-going salary cost of the new post-holder can be met from within existing budgetary provision.

**Legal implications and risks**

The Chief Executive (Head of Paid Service) post is a statutory one. Confirmation of the appointment to the Chief Executive (Head of Paid Service) post is the responsibility of the Council under Part 2, Article 4.01 of the Council's Constitution. The Chief Executive appointment process is a responsibility that has been delegated to the Appointments Sub-Committee under Part 3 of the Constitution. The Appointments Sub-Committee will make recommendations to Council about appointing the Head of Paid Service.

**Equalities and Social Inclusion implications:**

The Council's recruitment practice is based on fair and transparent processes which must be applied in a consistent and non-discriminatory basis and must be free from any unlawful bias on the grounds of gender, race, disability, age, sexual orientation, marital status or other material factor set out in the relevant employment and equalities legislation. Any decision to recruit will be based on the merit of the applicant, best fit for the job and the requirements of the Council.

**BACKGROUND PAPERS**

None

# Chief Executive

## Role profile

### Purpose and Principal Accountabilities

Reporting to the Leader of the Council and full Council, the role of the Chief Executive is principally to:

- Develop the vision and plans to secure a high performing and well managed Authority which enhances the wellbeing of the citizens of the Borough;
- Demonstrate an unquestionable commitment to providing excellent services by personal example, inspirational leadership and empowerment in partnership with the Strategic Management Team, the Leader and Members;
- Lead, manage and direct the Strategic Management team to ensure that a corporate and co-ordinated approach is adopted to the provision of the Council's services to the public;
- Challenge the status quo and current assumptions to drive through the achievement of the Council's overall objectives, breaking down barriers to providing excellent and truly integrated services;
- Represent the Council professionally as its ambassador, negotiator and advocate at all external levels locally, regionally, nationally and internationally, promoting a positive image of Havering at all times;
- Be the Head of Paid Service, Acting/Returning Officer and Electoral Registration Officer for all statutory and procedural purposes.

### Key Accountabilities

#### Statutory obligations

Ensure that the Authority's services are established and developed to meet the Council's statutory obligations, and required changes are incorporated into the Council's plans to meet the expectations of Members, partners and the wider community.

Act in accordance with all appropriate legislation, regulations and guidance relating to the Council.

Act as the Head of Paid Service in accordance with appropriate legislation and regulations, Codes of Practice, Regulations, the provisions of the Council's Constitution and its policies and procedures.



### **Service Delivery and Development**

Inspire confidence in the Council and its service's by engaging with the executive and Members and effectively translating their shared vision into reality.

Ensure service delivery is community centred and focused on the needs of our customers, putting them at the heart of everything the Council does, balanced with the need to deliver efficient services.

Ensure the Strategic Management team delivers high levels of service delivery in their performance areas.

Provide a clear vision for the Council, thinking and planning ahead so that Council policy is informed, helped and clarified.

### **Innovation and Change Management**

Enable cultural and organisational change within the Council to ensure the continual improvement of service delivery.

Encourage and introduce innovative methods of service delivery using new technology and modern working practices based on effective and dynamic project and programme management processes.

Constantly look for new methods of providing services that challenge the traditional role of the Council as a direct service provider and introduces a mixed model of service provision including increased participation from external service providers.

### **Quality and Performance Management**

Develop and implement performance and business planning frameworks that challenge and seek continuous improvement of services and are sufficiently flexible to be responsive to changing needs and priorities.

Instil a performance culture within the Council, ensuring that the Strategic Management team are empowered and held accountable for quality service provision and performance improvement.

### **Partnership Working**

Build and maintain effective relationships between the political and managerial processes of the Council.

Demonstrate true community leadership through partnership working with other public, private and voluntary sector providers to identify and deliver key community priorities.

Engaging citizens and other community groups to ensure the delivery of local key priorities, developing agendas for integrated services, community cohesion and local governance.

Continually identify, evaluate and implement innovative new areas of partnership working to maximise and enhance service delivery for the benefit of the wider community.

### **Human Resource Management**

Demonstrate strong and positive leadership, leading by example and encouragement.

Create an environment in which staff are invigorated, committed to their work, positively encouraged and rewarded for excellence and feel empowered.

### **Budget and Asset Management**

Ensure effective governance to safeguard the Council's financial and statutory duties and guarantee proper public accountability and scrutiny of its decision making processes.

Ensure all services are managed within budget, encouraging the Strategic Management team to actively identify and evaluate new funding opportunities through additional income, grants and commercial partnerships and innovative new ways of working.

Inspire the Strategic Management team to provide value for money services and prudent use of resources while still meeting the needs of partners and the wider community.

Challenge existing services to ensure that they are cost effective and drive through savings so that the public and partners recognise that the Council provides value for money.

### **Equalities and Diversity**

Display strong and positive leadership for equalities and diversity principles, leading by example and encouragement and ensuring that they are integrated into all aspects of service delivery so that the needs of the whole community are addressed.

### **Communication**

Ensure that citizens and staff are fully informed about the Council's vision, values and objectives and the standards, behaviours and performance expected of them to ensure service improvement.

## **Person specification**

### **Education and Continuing Professional Development**

- Educated to degree level or equivalent and/or (relevant professional qualification)
- Evidence of continuing managerial and professional development

### **Experience**

- A proven track record of successfully leading and managing the provision of high quality innovative services at a senior level in the public and/or private sector and translating local, regional and national requirements into practical outcomes;
- Experience of working in successful partnerships to deliver, with a wide range of stakeholders, continuous improvement and the provision of excellent services;
- Evidence of success in strategic management and leadership in delivering change and improving performance;
- Proven record of formulating and implementing high level strategies and plans that cross service boundaries, with a track record of challenging existing standards and costs of services through effective performance management and value for money principles;
- A demonstrable track record of success in managing and controlling complex budgets and business planning processes to ensure the most cost effective use of resources;
- Extensive experience of working effectively within a political environment, providing clear, balanced advice and guidance on strategic issues that achieve the corporate and service objectives of the organisation;
- Demonstrable experience of managing complex change, developing effective team working and motivating staff in large organisations;

### **Abilities and Skills**

- A thorough understanding of the legislative framework and best practice affecting the Council;
- In depth knowledge and understanding of the issues affecting local government in the legal, financial and political context of public sector management;
- Ability and vision to ensure that service issues are considered a part of the corporate agenda;

- Ability to work corporately and flexibly, actively promoting and maintaining collective responsibility and team loyalty within the Strategic Management team at all times;
- Ability to implement and monitor performance management systems that meet the Council's objectives and targets;
- Ability to work across boundaries at local, regional and national level and inspire employees, Members, agencies and other partners to deliver the highest level of performance;
- Ability to drive forward continuous sustainable improvement in service delivery;
- Ability to build, work and maintain effective relationships with elected members, key partners, service providers, stakeholders and the wider community;
- Commercially minded and able to identify risks;
- Empathy for socially excluded groups and ability to develop positive action programmes to encourage greater social inclusion;
- Ability to manage and motivate staff;
- Excellent interpersonal, communication and analytical skills;
- Ability to negotiate and manage in an effective way.

### **Managerial Style**

- A persuasive, energetic and active leader;
- Demonstrates high level motivational and coaching skills;
- Leads from the front in an honest and straightforward style that gains the respect of others;
- Ability to develop and foster a positive organisational culture;
- Confident decision-maker and influencer;
- Aware of the need to identify and promote best practice;
- Effective at delegation, having established and agreed a framework for accountability and performance management.

### **Personal Qualities:**

- Passionate and energised by the delivery of high quality outcomes;
- Committed to equality of opportunity and diversity in employment and service delivery;

- Creative strategic thinker, able to generate new innovative solutions that are realistic, engaging, practical and achievable;
- Strong sense of integrity, social justice, equality and accountability to the public;
- Personally resilient, able to meet the demands and pressures of the post;
- High level of personal drive and motivation;
- Personality, conduct and credibility that engages and commands the confidence of Council Members, senior managers, staff, external partners, the general public and other stakeholders;
- High degree of political sensitivity and awareness.

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## GOVERNANCE COMMITTEE

13 January 2016

**Subject Heading:**

**The sealing of Council documents and delegation to legal officers**

**CMT Lead:**

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**Policy context:**

The Monitoring Officer is authorised to propose changes to the Constitution as from time to time seem appropriate

**Financial summary:**

To lessen the Council's exposure to financial loss and to increase operational efficiency.

### The subject matter of this report deals with the following Council Objectives

Havering will be clean and its environment will be cared for

People will be safe, in their homes and in the community

Residents will be proud to live in Havering

### SUMMARY

The report proposes a number of minor refinements to the Constitution and asks that members recommend to Council a change in the arrangements in relation to the sealing of Council legal documents and the delegation of legal powers to legal officers to enable more efficient management of the respective legal processes.

**RECOMMENDATIONS**

The Committee recommends to Council that:

1. The second paragraph of Article 10.4 of the constitution be amended to read  
“Contracts must be made under the common seal of the Council in accordance with rule 16 of the Contract Procedure Rules. Contracts under £100,000 may, in most circumstances, be signed by the Chief Executive or the appropriate Group Director, Director of Legal and Governance or Head of Service, in accordance with the Contracts Procedure Rules set out in Part 4.
2. The monetary threshold for the sealing of contracts as set out in paragraph 16 of the Contract Procedure Rules be raised to £150,000.
3. Article 10.5 of the Constitution be amended to read

“The common seal of the Council may be affixed to any document on the authority of any either the Chief Executive, a Group Director, the Director of Legal and Governance, the Deputy Director of Legal and Governance, a Principal or Senior Lawyer.

The seal shall be attested by the individual and an entry of every sealing of a document shall be made and consecutively numbered in a register to be provided for the purpose and shall be signed by a person who has attested the seal.”

**REPORT DETAIL**

**SEALING OF DEEDS**

- 1 Certain agreements, namely land transfers and contracts over an agreed monetary value, are required to be executed as deeds. This enables enforcement action to be commenced after the usual time limitation period of 6 years. In such instances the agreements are not completed by the signature of an authorising officer but by affixing the councils seal.
- 2 The Council constitution at Article 10.04 provides:-  
*“Contracts with a value exceeding £100,000 must be made under the common seal of the Council in accordance with rule 16 of the Contract Procedure Rules.”*



- 3 However rule 16 of the Contract Procedure Rules adopts a more pragmatic and flexible approach providing:-

*“16 Execution of contracts*

Contracts over £100,000 to be sealed

Contracts with a total value of more than £100,000 will be executed under seal in accordance with Article 10.04 of the Constitution unless the Director of Legal & Governance approves otherwise. ....

Contracts under £100,000

Unless the Director of Legal & Governance approves otherwise, contracts with a total value of less than £100,000 will be executed by the signature of the duly authorised Head of Service or more senior staff as appropriate, in accordance with the functions delegated to staff under section 3 of Part 3 of this constitution.

Contracts with a total value of less than £100,000 may be executed under seal where the Head of Service or Member of CMT and the Director of Legal & Governance deem this appropriate.

**Care & Consultancy Contracts**

Contracts for the provision of personal social services to an individual (eg residential care) and educational placements may be signed by the relevant approved officer (as formally designated by the Head of Service or more senior staff and lodged with the Director of Legal & Governance) provided that the annual value of the contract does not exceed £200,000. If it will exceed £200,000 then the contract must be signed by the Director of Legal & Governance.

Contracts for consultancy services and specialist advice (other than those that form part of a larger contract or project) may be signed by the relevant Head of Service or more senior staff provided that the total value of the contract does not exceed £200,000. If it will exceed £200,000 then the contract must be signed by the Director of Legal & Governance.”

- 4 The baseline monetary threshold has not been revised for a number of years and it is suggested that the threshold be raised from £100,000 to £150,000 and that the contract procedure rules be amended accordingly. In order that there is no confusion between the Articles and the contract procedure rules it is also suggested that Article 10.4 be amended to read:

*“Contracts must be made under the common seal of the Council in accordance with rule 16 of the Contract Procedure Rules. “*

- 5 Article 10.05 of the constitution requires that “the seal shall be attested by two individuals from a prescribed list which must (except in exceptional circumstances) include either the Mayor or Deputy Mayor.
- 6 The inclusion of the Mayor or Deputy Mayor is an historical requirement and it is unclear what purpose this additional requirement

serves given the complex nature of these documents and the governance processes that are undertaken before such documents are sealed. The inclusion of Mayor or deputy Mayor as signatory has inevitably led to delays in completion of contractual agreements. In addition most of the documents are prepared by legal services, currently based at Stratford and consequently there is a requirement for engrossed documentation to be couriered to the Town Hall for the Mayor to complete his element of the process. Many contracting third parties find this process overly bureaucratic and frustrating, particularly where tight dead lines are in place and it is difficult to justify this cumbersome approach or identify the risk which this process is designed to control.

- 7 It is therefore suggested that the requirement for the Mayor or Deputy Mayor to attest the sealing of documents is removed.
- 8 The Leader has indicated his support for these proposed changes. Anecdotally this is now the common practice of local authorities and a survey of the procedures adopted by other London Borough Councils and of their sealing monetary thresholds is currently underway and will be available at the meeting for members to use as a comparator.
- 9 There is a process for urgent attestations which enables officers to attest the sealing of the document in the absence of the Mayor or deputy Mayor and the subsequent reporting of the exercise of that power to the next meeting of Council . If members are minded to accept the officer proposals set out below this provision will no longer be necessary.
- 10 It is also suggested that the designation of authorised officers who attest the affixing of the seal be amended to reflect the new titles of legal services personnel following the legal services restructure.
- 11 The reference to Head of Legal Services should now refer to Deputy Director of Legal and Governance and reference to Legal Manager be changed to Principal Solicitor or Senior Lawyer.
- 12 If members agree with these proposals, Article 10.05 will read as follows:-

*"The common seal of the Council may be affixed to any document on the authority of either the Chief Executive, Group Director, Director of Legal and Governance, Deputy Director of Legal and Governance, Principal Lawyer or Senior Lawyer.*

*The seal shall be attested by that individual ..."*

**Reasons for the proposed changes:**

- 13 The selection of persons to attest the sealing of council documents is usually based on an assessment of risk and appropriate control. There is a limited risk that affixing of the seal could be used for fraudulent

purposes or that the documents to be sealed are inappropriate. There are in both instances a number of controls in place to manage these risks and unless the Mayor or Deputy Mayor was either legally qualified or extremely experienced in this area it is unlikely that they would possess the skill set to review those controls at the point of sealing. Moreover the logistics around the current process arguably involve unnecessary delay and expense.

- 14 The raising of the monetary threshold reflects the changing value of contracts against their complexity and the need for sealing with many contracts above £100000 being routine and standardised in nature yet requiring affixing of the Councils seal. Moreover the Director of Legal and Governance retains the power to require contracts below the monetary threshold to be made under seal where appropriate.

**Other options considered:**

- 15 The status quo continues with the inherent logistical difficulties described earlier within the report.
- 16 That the monetary threshold for sealing of documents be raised to a higher level for instance £200,000. It was felt that whilst anecdotally many councils operate at this level the Council should take an incremental step change based on its current experience.

**IMPLICATIONS AND RISKS**

**Financial implications and risks:**

None given that the Director of Legal and Governance retains the right to require documents under the monetary threshold to be sealed where appropriate.

**Legal implications and risks:**

Most of the legal implications relating to the substance of the issues are contained within the body of the report. Article 11 of the Constitution provides it is the responsibility of the Governance Committee to monitor and review the operation of the Constitution to ensure that the aims and principles of the constitution are given full effect and to make recommendations to Council on its possible amendment.

**Human Resources implications and risks:**

None

**Equalities implications and risks:**

None

**BACKGROUND PAPERS**

None