

Consideration of Options for replacing the current Interim Chief Executive

Option 1 - Use of an Interim Manager (on a Consultancy Basis)

Interim Managers are used widely throughout local government. They have a number of advantages

- Deliver instant experience
- Bring role-specific expertise
- Work at a pace and in a hands on style
- Take control immediately – so make an immediate impact
- Are fully accountable to the council
- Have no political baggage and can operate “without fear or favour”

As well as providing immediate access to experienced Senior Management resources, interim managers can deliver added value through successful projects, performance improvements or increased market capitalisation. The financial benefits of an interim manager can also be gauged in terms of the recruitment process: there is no search fee, a simple daily rate, no addition to the fixed payroll and no termination costs.

Research shows that interim managers can successfully improve business performance, and generate accelerated change which often lays the foundation of a new strategic approach within a Council. In a Welsh context this has included undertaking necessary senior management changes and providing a more stable corporate governance environment. An experienced Interim Manager can generate a return on investment that often outweighs their fee.

There can however be a few issues with Interim Managers that may be problematic

- “Acclimatisation” issues within the authority
- High Cost – with daily rates circa £1k
- Level of commitment from an interim manager on a consultancy basis to the council.
- Effectiveness is usually in a “shock and awe” setting, namely an interim brought in to undertake controversial and radical changes.
- Outstaying their welcome. Generally the duration of a “traditional” interim has a time span between 3 to 12 months.

Due to the legislative guidance, not advertising the post openly may heighten the risk of a potential challenge to our process.

Option 2 – Fixed Term Appointment

This option is one that has real advantages if a good candidate can be sourced. The concept is simple, namely the authority would advertise for a Chief Executive on the basis of a one to two year contract. This would probably cover any time and logistical issues associated with the Legal case, although this will require further deliberation. It would be also be an option where the Council could plan more strategically for the future with some sense of certainty.

The process would be that CCBC advertises for a Chief Executive on a fixed term contract. This would be on the basis of the current agreed salary and acceptance of the council’s terms and conditions. Whilst the length of the period may seem a risk in attracting possible candidates, this may be outweighed by other factors. These may include:

- CCBC is a financially sound authority with good services.
- The Chief Executive Salary and package is very competitive in the Welsh setting.
- A two year contract could appeal to an existing Chief Executive or aspiring Chief Executives who may be prepared to risk that a more permanent solution may be a possibility or who may

wish to see out their career in a large authority

- There are Chief Executives or other more senior managers outside of Wales who may wish to relocate to or return to Wales, who may be prepared to take a risk for a major development opportunity
- It opens up the option of promotion to any internal candidates
- This option is probably more politically acceptable because of lower costs

While a two year fixed contract is not the norm increasingly many Chief Executives in England are now hired on a four or five year contract which can be tied to the political cycle of an authority. As such this notion will be a familiar one and while the timescale may not excite some for others it may resonate because of personal circumstances and ambitions.

Ideally whilst a longer term solution would be preferable, a guarantee of 2 years employment in the current financial climate is by no means derisory. To stress again this would allow the authority flexibility to resolve the issues ongoing around the legal process, and could offer the basis for a more permanent solution if this is resolved and the potential post holder performs well in the role.

N.B this analysis has been supplied with assistance from Steve Thomas, Chief Executive of the WLGA