

ABERDEEN CITY COUNCIL

COMMITTEE	Urgent Business Committee
DATE	6 July 2018
REPORT TITLE	Prospective Appointments (i) ALEOs and (ii) Chief Officer - Organisational Development
REPORT NUMBER	
DIRECTOR	Steven Whyte
CHIEF OFFICER	Morven Spalding (interim)/Craig Innes
REPORT AUTHORS	Lesley Strachan/Roderick MacBeath/Steven Inglis
TERMS OF REFERENCE	Purpose 1

1. PURPOSE OF REPORT

- 1.1 To seek approval of the processes in respect of board appointments to Bon Accord Care Ltd (BAC) and Bon Accord Support Services Ltd (BASS), to seek approval of board appointments to Aberdeen Sports Village Ltd (ASV), and to seek approval to amend the role of the Chief Officer – People and Organisation, prior to recruiting, all as detailed in this report.

2. RECOMMENDATIONS

That the Committee:-

Bon Accord Care/Bon Accord Support Services

- 2.1 Directs Bon Accord Care Ltd (BAC) and Bon Accord Support Services Ltd (BASS) to follow the recruitment processes and establish an appointments panel (all as detailed in section 3 of the report) to identify a preferred candidate for the posts of Managing Director of BAC and BASS (the same individual to be appointed as Managing Director of both BAC and BASS);
- 2.2 Delegates authority to the Chief Officer - Governance, following consultation with the Director of Resources, to undertake any necessary actions or procedures, and to sign any documentation, on behalf of the Council as sole member of BAC and BASS in order to finalise the appointments to these Managing Director posts;
- 2.3 Authorises Bon Accord Care Ltd (BAC) and Bon Accord Support Services Ltd (BASS) to follow a recruitment process including establishing an appointments

panel for preferred candidates (which panel will include a Council director and the Leader of the Council) and to take such other action as necessary so as to identify preferred candidates for other future vacant Director posts relating to BAC and BASS, whether managing director or otherwise;

- 2.4 Delegates authority to the Chief Officer - Governance, following consultation with the Director of Resources, to undertake any necessary actions or procedures, and to sign any documentation, on behalf of the Council as sole member of BAC and BASS in order to finalise any future Director appointments, whether managing director or otherwise;

Aberdeen Sports Village

- 2.5 Appoints the preferred candidate identified in Appendix B as a Council nominated Director to the Board of Aberdeen Sports Village Ltd;
- 2.6 Approves the proposal by the University of Aberdeen to appoint its preferred candidate identified in Appendix B as a Director to the Board of Aberdeen Sports Village Ltd;

Chief Officer - People and Organisation

- 2.7 Approves a change in job title for the Chief Officer – People and Organisation to Chief Officer - Organisational Development to reflect the requirements of the role.
- 2.8 Approves the revised job profile for the role of Chief Officer - Organisational Development as attached at Appendix A; and
- 2.9 Agrees that the Interim Chief Officer – People and Organisation carry out a recruitment campaign, led and managed by the Council, to the aforementioned post and then to follow the previously agreed selection process for Chief Officer appointments.

3. BACKGROUND

Bon Accord Care/ Bon Accord Support Services

- 3.1 Bon Accord Care Ltd (Company No. SC416826) (“BAC”) and Bon Accord Support Services Ltd (Company No. SC432814) (“BASS”) provide social care services within the city. Both companies are wholly owned by the Council and are known collectively as Bon Accord Care. BAC is the body which undertakes the Council’s statutory duty as provider of last resort.
- 3.2 Following the resignation of the Managing Director of BAC and BASS, the Boards of Directors of both companies (the membership of both Boards is identical) wish to proceed with the recruitment and selection of a new Managing Director and, as this is a time-critical post, to commence the process as soon as is practicable. The same individual is to be appointed as Managing Director

of BAC and BASS.

- 3.3 In terms of process, BAC and BASS will select a recruitment consultant to support the recruitment and selection process, which will include an advertising campaign and executive search to target suitably qualified candidates.
- 3.4 It is proposed that the Council directs BAC and BASS to establish an appointment panel to identify a preferred candidate for the posts of Managing Director of BAC and BASS and preferred candidates for any future Director posts relating to BAC and BASS, the panel to include a Council Director and one of the Council Leaders with the remainder of the panel membership to be determined by BAC and BASS. It is also proposed that authority be delegated to the Chief Officer - Governance (following consultation with the Director of Resources) to undertake any necessary actions or procedures, and to sign any documentation, on behalf of the Council as sole member of BAC and BASS in order to finalise the appointments to these Managing Director posts and any future Director posts relating to BAC and BASS.
- 3.5 Part of the selection process will include an assessment centre. This will include a session with Council and Integration Joint Board (IJB) representation. The process will conclude with interviews by the appointments panel.
- 3.6 It is anticipated that there may be a gap between the departure of the current Managing Director and the successful candidate commencing. This period will be covered by an Interim Managing Director on an Acting basis.

Aberdeen Sports Village

- 3.7 The Council and the University Court of the University of Aberdeen each appoint four Directors to the Board of Aberdeen Sports Village Ltd (ASV), being two of their own members and two external appointees in each case. Concurrent vacancies occurred and interviews took place on 5th June 2018. The preferred candidate as the Council nominated Director is identified in Appendix B. The preferred candidate as the University Court nominated Director is also named in Appendix B and the Council has been invited to confirm that it has no objection to this nomination. (The University Court has a similar right in respect of the Council's nomination) Approval of Council is sought to appoint the preferred candidate identified in Appendix B as a Council nominated Director to the Board of Aberdeen Sports Village Ltd. Approval is also sought of the proposal by the University of Aberdeen to appoint its preferred candidate identified in Appendix B as a Director to the Board of Aberdeen Sports Village Ltd.

Chief Officer - People and Organisation

- 3.8 All 13 of the Chief Officer roles approved in the Council Report of December 2017 have now been filled, except for the Chief Officer – People and Organisation.
- 3.9 To date, there have been three attempts to recruit to this role and each time it has been unsuccessful. Initially, the role was advertised internally, along with

all the other Chief Officers in January 2018. The decision of Appointment Panel in February 2018 was that there were no suitable candidates and that the role be advertised externally.

- 3.10 In February 2018, the role was advertised externally along with 4 other Chief Officer roles. This was part of a significant advertising campaign where the role was advertised in local and national press, online and in 'People Management' the specialist journal for the Chartered Institute of Personnel and Development (CIPD). In addition, our Recruitment Partner, Penna undertook a comprehensive executive search exercise to source appropriate candidates.
- 3.11 This external advertising stage of the process delivered a shortlist of 4 candidates, but for a variety of reasons, all candidates withdrew before the interview stage. At this point, in March 2018, the Council's recruitment partner Penna were asked to conduct a further targeted search focused on candidates within the Scottish Public Sector. This search produced a further 2 candidates which the Appointment Panel approved for the selection stage. Once again, one candidate withdrew, leaving just one candidate for Appointment Panel Interview. The outcome of the Appointment Panel in May 2018 was that this candidate was not appointable.
- 3.12 Feedback was sought from Penna as to the reasons why the Council has been unable to source appropriately qualified and skilled candidates for this role. Aberdeen's geographical location is one, with candidates having to relocate for the role, however, another significant factor is that candidates tend either to have a generalist HR / Employee Relations background or an Organisational Development background, but not to have both skillsets.
- 3.13 Consideration has been given to the job profile for the role and it has been confirmed it has been graded and evaluated correctly. It is therefore proposed that the job profile and job title be changed and to advertise the revised role externally.
- 3.14 The revised role has been changed to align to a 'future focussed' Council concentrating on building the talent for the future for the organisation rather than leading on HR and Employee Relations elements which will be assigned to an alternative cluster.
- 3.15 The new profile is attached at Appendix A. The Chief Officer - Organisational Development job profile has been evaluated at Chief Officer point 27, salary £68,806.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no financial implications as a result of the Bon Accord Care element of this report as recruitment costs will be met by BAC and BASS. There are no costs in respect of the ASV appointment. The recruitment and selection process for the post of Chief Officer – Organisational Development will be conducted

using in-house resource and, where applicable, additional costs will be met from existing budgets.

5. LEGAL IMPLICATIONS

- 5.1 Proposals in relation to BAC, BASS and ASV are in accordance with their respective Articles of Association. There are no legal implications arising in relation to the proposed changes to the Chief Officer – People and Organisation.

6. MANAGEMENT OF RISK

	Risk	Low (L), Medium (M), High (H)	Mitigation
Financial	None for Bon Accord Care recruitment – recruitment costs being met by BAC and BASS. None for ASV. Costs for Chief Officer – Organisational Development to use in-house resources and existing budgets.	L	
Legal	None	N/A	N/A
Employee	Uncertainty around current interim position of Chief Officer – People and Organisation and failure to appoint.	L	Revise job profile as proposed and undertake recruitment
Customer	A delay in recruitment may have an impact on clients of BAC and BASS.	M	Timeous recruitment is undertaken
Environment	None		
Technology	None		
Reputational	A delay in recruitment for BASS/BAC managing director posts may impact on the Council	L	Timeous recruitment is undertaken

	<p>given that BAC is a Council ALEO.</p> <p>Further delay in recruitment of the one remaining vacant Chief Officer post creates a likelihood of reputational damage due to continued external search for suitable candidates. Could potentially impact on other posts requiring filled in the future.</p>		<p>If unsuccessful with the revised job profile, mitigating factors could be the alignment of the cluster to an alternative Chief Officer.</p>
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7. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous People	Amongst other things, the report addresses recruitment to the managing director posts of organisations responsible for providing social care to many citizens.

Design Principles of Target Operating Model	
	Impact of Report
Partnerships and Alliances	<p>The Council is the sole shareholder of BAC and BASS. HR provide support to BAC and BASS and will assist in this recruitment process.</p> <p>ASV is a joint venture with the University of Aberdeen, with both shareholders being equal partners.</p>

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	not required
Privacy Impact Assessment	not required

Duty of Due Regard / Fairer Scotland Duty	not applicable

9. BACKGROUND PAPERS

None

10. APPENDICES

Appendix A and Appendix B, (Confidential).

11. REPORT AUTHOR CONTACT DETAILS

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