

Subject: Chief Executive Recruitment Update
Agenda item: Public item 10
Report No: 8
Meeting date: 17/07/2012
Report to: Board
Report of/by: Anne Pia, Interim Director of Human Resources

FOR DECISION

This report will be considered in public

1. SUMMARY

- 1.1. This report seeks the approval of the job description and person specification for the Chief Executive, the recommended remuneration for the Chief Executive and the recommendation that the Resources and Remuneration Committee be asked to undertake the interviews with a view to recommending a candidate to the Board for appointment.
- 1.2. On 9 July 2012, the Resources and Remuneration Committee considered these matters and recommended them to the Board.

2. RECOMMENDATIONS

- 2.1 The Board is invited to
 - 2.1.1 **NOTE** the revised recruitment timetable.
 - 2.1.2 **APPROVE** the job description and person specification for the chief executive.
 - 2.1.3 **APPROVE** that the chief executive salary be in the region of £200,000 per annum plus a performance related bonus of up to 20% and **CONSIDER** how this will be presented in the recruitment information.
 - 2.1.4 **AGREE** that the Resources and Remuneration Committee is asked to undertake the long listing and short listing process and interviews with a view to recommending a candidate to the Board to meet and appoint.

3. TIMING

- 3.1. The decision is **URGENT** so that the recruitment process can start following the Board meeting in order to meet the recruitment timetable of appointing a new chief executive in early October.

4. BACKGROUND

- 4.1. At its meeting on 29 June 2012, the Board noted the proposed recruitment process for the Chief Executive and agreed to the appointment of a search and selection company to support the recruitment process.
- 4.2. At its meeting on 9 July 2012, the Resources and Remuneration Committee noted the revised indicative timescale for the recruitment process:
 - Appointment of head hunters and advertisement – end July
 - Long list – mid September
 - Short list – end September
 - LLDC interviews and appointment – early October
- 4.3. The Committee also discussed and amended the job description and person specification for the chief executive and these are attached at appendix 1 and 2.
- 4.4. The Committee considered the remuneration package for the chief executive and noted the salary benchmarking of similar roles. The Committee recommended that the chief executive salary be in the region of £200,000 per annum plus a performance related bonus of up to 20%. The Board is asked to discuss how this should be presented in the recruitment information.
- 4.5. The Committee discussed the recruitment process and recommended that it ask the Board to request the Committee to undertake the long listing and short listing process and the interviews under the revised approved terms of reference 3 (e) “Any other matters relating to the appointment of the chief executive as requested by the Board.”

5. FINANCIAL IMPLICATIONS

- 5.1. The chief executive’s remuneration package will be funded from the Operational budgets.

6. LEGAL IMPLICATIONS

- 6.1. The Localism Act 2011, Schedule 21, paragraph 3, provides that before a Mayoral Development Corporation (“MDC”) appoints staff it must obtain the Mayor’s agreement to the terms and conditions on which the appointments are to be made and that an MDC’s Chief Executive is a member of its staff.
- 6.2. Schedule 21, paragraph 4, provides further that an MDC may pay to, or in respect of, its staff, remuneration, travelling and other allowances, and sums by way of, or in respect of, pensions and gratuities. Rates and eligibility criteria for payments made by an MDC are to be determined by the MDC with the agreement of the Mayor.
- 6.3. On 27 March 2012 (MD991) the Mayor approved the terms and conditions on which staff are to be appointed by the LLDC and the rates and eligibility criteria for staff remuneration, travelling and other allowances, and pensions and gratuities as set out in the Mayoral Decision form and delegated to the LLDC the approval of any subsequent changes to them after consultation with the Mayor. The terms and conditions approved by the Mayor were the terms and conditions of employment, travel and expenses policy and pay and grading structure of the Olympic Park Legacy Company.
- 6.4. The terms and conditions of appointment of staff who transferred to the LLDC on 1 April 2012 from OPLC and LTGDC were governed by the contracts of

employment transferred under TUPE. The Mayor did not therefore approve the terms of any individual contracts of employment.

- 6.5. The remuneration package set out in 4.4 is a matter to be approved by the Board after consultation with the Mayor because it is a change to the terms and conditions and rates of remuneration of staff approved by the Mayor on 27 March 2012. The terms and conditions of employment offered to candidates will also need to be the subject of Mayoral consultation.
- 6.6. The proposed Memorandum of Understanding between the Mayor and the LLDC includes a non-legally binding commitment on the part of the LLDC to consult the Mayor before appointing a Chief Executive.

7. LIST OF APPENDICES

- Appendix 1: Draft job description for the role of Chief Executive
- Appendix 2: Draft person specification for the role of Chief Executive
- Appendix 3: Salary benchmarking of similar roles

List of Background Papers:

- Papers for the meeting of the Resources and Remuneration Committee held on 9 July 2012

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Appendix 1: DRAFT JOB DESCRIPTION/ROLE PROFILE

CHIEF EXECUTIVE - 2 year fixed term contract (extendable)

MAIN PURPOSE OF THE ROLE

- Take the lead role in shaping the Olympic Park legacy and ensure the implementation of the mission, values and long term strategy and goals of the London Legacy Development Corporation (LLDC).
- Work with delivery partners and stakeholders across the private, public and voluntary sectors to ensure that the LLDC delivers its strategic objectives as agreed and outlined in the Business Plan and to meet the objectives of the Legacy Communities Scheme for the Olympic Park and to support the Strategic Regeneration Framework for the broader area.
- Lead the Executive Management Team and undertake a programme of restructure and change in order to enhance a high performance culture ensuring management processes are robust and stand up to scrutiny.

KEY ACCOUNTABILITIES

1. Strategic and operational accountabilities

- Ensure strong and effective stewardship and management of the whole Olympic Park estate and its assets
- Secure the delivery of the LLDC 3 year Business Plan
- Secure the delivery of the Legacy Transformation Programme of construction works
- Deliver the Park Opening Programme and the successful operation and management of venues
- Lead the development and transformation of land and assets to maximise commercial opportunities
- Engage with existing and potential landowners, developers and investors to maximise the return on London 2012 investment across the London Legacy Development Corporation Area
- Lead the delivery of integrated regeneration solutions to realise and maximise the long term legacy opportunities for the East London Communities
- Ensure close working relationships with local authorities and other regeneration partners and social enterprises to meet the aim of convergence

- Provide a planning service and planning policy development in line with the Town and Country Planning Act for the London Legacy Development Corporation Area
- Ensure that sustainable business plans are developed to support the Olympic Park and venues
- Lead the design and development of programmes to deliver the strategic aims of the organisation and to achieve the Mayor's goals

2. Finance and Governance:

- Fulfil the role of the "proper officer" to ensure proper governance of the organisation
- Ensure leverage of external investment to secure the legacy offer
- Maximise opportunities for the LLDC to generate revenue and sustain a culture of innovation and entrepreneurship that promotes profitable enterprise

3. Stakeholder and Relationship Management:

- Ensure responsive and genuine engagement with communities, stakeholders and partners
- Ensure effective communications and marketing of the entirety of the Olympic Park and the Legacy Communities Scheme
- Work with partners, the six 'Host Boroughs', the Lea Valley Regional Park Authority (LVRPA) and landowners to shape the future of the London Legacy Development Corporation Area to ensure legacy benefits can be realised

4. Leadership and management

- Provide organisational leadership and direction
- Lead a programme of restructure and organisational and cultural change which reflects a new phase of the business – moving from planning to delivery
- Embed the new organisational structure and enhance a highly motivated management team committed to achieving the objectives of the LLDC
- Build a high performing culture across the organisation
- Ensure that business strategy is translated into achievable plans with clearly defined accountability in terms of outcomes, deadlines and quality standards
- Promote a culture of continuous improvement in all aspects of the LLDC's work to support the achievement of best value, performance management and best practice

Appendix 2: DRAFT PERSON SPECIFICATION

Knowledge and Experience

- An excellent record of achievement at board/senior executive level in a significant organisation in the public or private sector
- Experience of working successfully in a leadership role in a complex organisation
- Experience and success in leading and managing organisational and cultural change
- Proven ability, at the strategic level, to manage and deliver projects and programmes of work to defined, agreed targets and priorities
- Relationship management experience across political and partner organisation boundaries
- Ability to operate successfully and influence a complex and diverse stakeholder mix
- Knowledge and understanding of the scrutiny and visibility of managing a high profile organisation
- An appreciation of how to work effectively at the public/private interface
- Financially astute, with experience of budgets and financial plans
- Commercially astute with proven experience of structuring and negotiating multi-faceted transactions
- Expertise and experience in physical infrastructure and urban regeneration

Skills and Abilities

- Highly developed and proven leadership skills required to drive and empower individuals and teams
- Ability to think and act strategically and to respond to changing complex circumstances
- Ability to delegate effectively, to exercise judgement and to make informed, pragmatic and timely decisions within a pressurised environment
- Strong commercial acumen and excellent negotiating skills
- Strong interpersonal skills with the ability to influence decision-makers and stakeholders at the highest level across sectors
- Excellent communication and presentation skills with the ability to promote and articulate key priorities for LLDC and communicate high level vision and broad objectives
- High degree of probity and integrity

REVIEW DATE/RIGHT TO VARY

The details contained within this job profile reflect the content of the job at the date it was prepared and inevitably, over time, the nature of the job may change. Consequently, the LLDC will expect to revise this job profile from time to time and will consult the post holder/s at the appropriate time.

You may be required to undertake other tasks that can be reasonably assigned to you which are within your capability and grade.

Appendix 3: Salary benchmarking of similar roles

Chief Executive Salary Benchmarking			
Organisation	Chief Executive	Pay in 2010/11 (£)*	Known Benefits
London Legacy Development Corporation	Andrew Altman	195,000	Employer Pension Contribution**; Bonus
Newham London Borough Council	Kim Bromley-Derry	195,000	Employer Pension Contribution
Tower Hamlets London Borough Council	K A Collins	186,336	Employer Pension Contribution
Waltham Forest Council	Martin Esom	180,000	Employer Pension Contribution
Greenwich London Borough Council	M Ney	189,667	Employer Pension Contribution
Hackney Borough Council	Tim Shields	177,956	Employer Pension Contribution
Barking & Dagenham London Borough Council	Stella Manzie	162,075	Employer Pension Contribution
ODA	Dennis Hone	274,000 (current salary 310,000)	Employer Pension Contribution; Bonus £79,000
LOCOG	Paul Deighton	479,873	Bonus £220,125
LDA		140,000-150,000	Employer Pension Contribution; PRP
HCA 2011/12	Pat Richie	134,999	Employer Pension Contribution; PRP max 10%
HCA - Pre 2011	Sir Bob Kerslake	223,000	Employer Pension Contribution; PRP max 10% (£15,000)
Sport England	Jennie Price	140,000 - 144,999***	Employer Pension Contribution
Tate Museums	Nicolas Serota	160,000 - 164,999	
GLA - Head of Paid Services	Jeff Jacobs	165,000	No Bonus
TfL - Commissioner	Peter Hendy	330,201	Employer Pension Contribution; No Bonus
TfL - MD	Mike Brown	283,155	Employer Pension Contribution; No Bonus
London Fire Brigade	Commissioner	201,967	Employer Pension Contribution; No Bonus
London Fire Brigade	Dep Commissioner	155,672	Employer Pension Contribution; No Bonus
Metropolitan police	Top Pay Grade	151,401 - 195,181	Employer Pension Contribution; PRP

Mayor's Office for Policing and Crime	Catherine Crawford	142,360	Not Known
East Thames Housing Group	June Barnes	150,000	Employer Pension Contribution; No Bonus
Royal Mail	Moya Green	498,000	Employer Pension Contribution; Bonus £142,000
John Laing	Director	1,100,000	Employer Pension Contribution; PRP
Barrett Homes	Mark Clarke	642,600	Bonus £353,000; Share Options
Balfour Beatty	Ian Tyler	668,000	Employer Pension Contribution; Bonus £261,856; Share Option Scheme
Berkeley Homes	Tony Pidgley	750,000	Employer Pension Contribution; PRP: Bonus £2.25m.
		Pay in 2009/10 (£)	
Office of Fair Trading	John Fingleton	277,500.00	
Government Olympic Exec - Director General	Jeremy Beeton	270,000.00	
Cabinet Secretary Cabinet Office	Gus O'Donnell	253,500.00	
Dept. of Health - Dir. General Workforce	Clare Chapman	252,500.00	
Export Credits Guarantee Dept.	Patrick Crawford	232,500.00	
First Parliamentary Counsel Cabinet Office	Stephen Laws	227,500.00	
CEO Royal Mint	Andrew Stafford	264,510.00	

* **Sources:** Annual Reports; GLA family; and <http://www.data.gov.uk/organogram/cabinet-office>

** **Note** - LLDC Employer Pension Contribution 11.2%

*** **Note** – 4.5 days per week (<http://www.data.gov.uk/organogram/cabinet-office>)