

Transport for the North Board

Subject: Recruitment of TfN Chief Executive

Author: Stephen Hipwell, Head of Human Resources

Sponsor: Dawn Madin, Director of Business Capabilities

Meeting Date: Thursday 14 January 2021

1. Purpose of the Report:

- 1.1 This report details the proposed process and timetable for the recruitment of a replacement Chief Executive for Transport for the North (TfN). It outlines the Constitutional requirements, the way forward, and the matters that will require Board approval.
- 1.2 Firstly, the Board is asked to:
 - **Agree whether the role be recruited on an interim or permanent basis** (further context outlined in the 'Considerations' section)
- 1.3 Dependent on the above decision, the Board is asked to consider the relevant recommendations as set out in the 'Conclusions and Recommendations' section of this report.

2. Considerations:

- 2.1 Following resignation on 19 October 2020, current Chief Executive Officer (CEO) Barry White is expected to leave TfN on 15 May 2021. As such, there is a requirement to agree and begin the process of recruiting a replacement to this key leadership role.
- 2.2 This will be the first CEO to be recruited since the organisation became a Sub-national Transport Body (STB) on 1 April 2018.
- 2.3 **The role**

The CEO is the most senior TfN officer, responsible for driving delivery against organisational objectives and enacting decisions by the TfN Board. In accordance with TfN's Constitution, the CEO is accountable to and reports to the TfN Board.
- 2.4 It is proposed that the role's current salary of up to £150,000 per annum remains unchanged. DfT authorisation (aligned to TfN's Memorandum of Understanding with the DfT) is therefore not required to proceed.

2.5 An updated role profile for the Chief Executive role is attached at **Appendix 1**; all proposed changes are highlighted for ease of review.

2.6 **Interim or Permanent decision**

It is recommended that the Board firstly agrees whether to recruit on a permanent or interim (6-12 months') basis.

In considering this, the Board may wish to consider factors including but not limited to:

- The related agenda item on the funding settlement for 2021/2;
- The outstanding Integrated Rail Plan, likely to set the scope of NPR and TfN's role in delivery; and
- The Devolution White Paper, expected to detail the future role and remit of STBs.

2.7 In addition, the Board may also want to consider whether there will be a need for different skillsets in the shorter and longer-term. For instance, the skills required to manage an upcoming period of change, and the longer-term skills once the organisation has settled thereafter. Value for money will also be a consideration with a prolonged interim appointment having the potential to incur significant cost.

2.8 **Constitutional Provisions**

The Prescribed Standing Orders Relating to Staff within TfN's Constitution which comply with legal requirements set out in the Local Authorities (Standing Orders) (England) Regulations 2001 ("the Standing Orders") stipulate that appointment of a Chief Officer, including a Chief Executive, shall be made by TfN Board; this function cannot be delegated.

2.9 The Standing Orders also provide that where a committee or sub-committee is discharging, on behalf of TfN Board, the function of appointment of the Chief Executive, the TfN Board must approve that appointment before an offer of appointment is made to that person. It should be noted that the word "panel" may, if desired, be used in place of "committee" or "sub-committee".

2.10 It should be noted that, whether permanent or interim, the TfN Board will be responsible for agreeing the appointment following a recommendation.

3. Appointing on permanent basis:

3.1 In this case, it is recommended candidates available to undertake the role on a secondment basis (up to two years) are also considered. Any secondees would not be eligible to assume the role of Head of Paid Service (HoPS) and a separate TfN Officer would need to be appointed/designated as HoPS by the Board under these circumstances.

3.2 It is recommended that this is done via an Appointment Panel.

3.3 **The Appointment Panel – outcome of Chairman’s discussions**

At the 18 November 2020 TfN Board meeting, the Chairman proposed setting up an Appointment Panel to conduct the process and to report back to Board. He proposed that it should consist of the two Vice Chairs, a LEP representative and a DfT representative, with himself as Chair of the Panel.

3.4 Some members expressed a wish to have additional representation on the Appointment Panel of elected members from the Constituent Authorities, and for an opportunity for members to input into the recruitment process. The Chairman, therefore, undertook to consult with the Vice Chairs and other Board representatives to bring forward a new proposal.

3.5 As the DfT is not a member of the TfN Board, the representative of the DfT will attend in an observer capacity in accordance with paragraph 5.5 of the Constitution.

3.6 The Chairman’s discussions with members have centred upon setting up a bespoke Appointment Panel rather than considering the General Purposes Committee (“GPC”), since although the GPC is provided for in the Constitution as agreed by Board, in practice it has not yet had any membership nominated to it, has therefore never yet met, and comprises only ten Constituent Authority members based on the Regional Groups also used for the purposes of Rail North Committee.

3.7 In any event it would be normal practice within a Local Authority to which the Regulations apply to have an Appointments Committee with the sole purpose of carrying out the function of advising on the appointment of the Statutory Officers. The Board may, however, wish to consider if a review of the role of the GPC would be desirable, through a separate report to a future Board meeting.

3.8 Arising from the Chairman’s discussions, the following proposal to establish an Appointment Panel to undertake the selection process up to the stage of recommendation to TfN Board has emerged and is therefore proposed to the Board. As requested, an additional elected member has been added to the nominations for the panel, namely Cllr Keith Aspden.

3.9 The following panel membership has emerged from the Chairman’s discussions and he has made the following nominations to the Panel:

- Cllr Louise Gittins, TfN Vice Chair
- Mayor Ben Houchen, TfN Vice Chair
- Cllr Keith Aspden, City of York Council
- Peter Kennan, SCR LEP Representative
- Emma Ward, DfT
- John Cridland, TfN Chair

3.10 It is suggested that Substitutes be permitted where the Panel member was unable to act and that each Panel member be permitted to nominate a member of TfN Board (or other DfT representative in the case of the DfT Panel member) to act as their own substitute in this case.

3.11 A proposed Terms of Reference for the Appointment Panel is attached at **Appendix 2** for approval.

3.12 **The recruitment process (permanent)**

The proposed recruitment process is expected to be virtual and has been worked through in detail by TfN's HR Team outlined in **Appendix 3**.

3.13 If the Appointment Panel is approved, a prompt meeting would be convened to agree the recruitment process, including taking suggestions from members; shortlisting candidates after a search; conducting interviews; and making a recommendation of a candidate for appointment, anticipated to be by way of a report to the March meeting of the TfN Board.

3.14 The following points are for noting:

- It is proposed to formally launch the vacancy in January;
- As a key leadership role, TfN has appointed an executive search agency to oversee the headhunting and search elements of the process.

3.15 A staged recruitment process is proposed to include two interview stages, alongside psychometric testing for leadership and behavioural qualities and a Stakeholder Panel. The composition of the Stakeholder Panel will be agreed by the Appointment Panel and is anticipated will include a cross-section of senior representatives from TfN's partners such as Highways England, Network Rail, HS2 Ltd and CEO's of Local/Combined Authorities.

3.16 **Not appointing and short-term arrangements**

Interim arrangements may need to be explored if:

- following longlisting, shortlisting or final interview stage, the Appointment Panel deems there to be no credible candidates; or
- if the notice period of the appointed candidate leads to an extended period of post vacancy.

3.17 If required, the process to secure a Chief Executive on a short-term basis would be the responsibility of the same Appointment Panel with final approval also to be determined by TfN Board.

4. Appointing on an interim basis for a period of 6-12 months’:

- 4.1 In this case, much of the process would be common to that outlined in the permanent scenario above, including the creation of the Appointment Panel; launch of the vacancy in January; use of Executive Search agency; and final approval by TfN Board. Dependant on the terms of engagement, ultimately, this approach may have cost implications. Value for money will therefore also be a consideration given a prolonged interim appointment may have the potential to incur significant cost.
- 4.2 In its deliberation, the Board should note that an interim CEO may not be eligible to assume the role of Head of Paid Service (HoPS) (as per secondee scenario noted above).
- 4.3 With regards to the process, it is recommended that the Appointment Panel would:
- Agree an interim role profile;
 - Agree revisions to the process outlined in **Appendix 3** to expedite recruitment where possible; and
 - Still recommend a preferred candidate to TfN Board for approval.

5. Conclusion and Recommendations:

- 5.1 The report provides a summary of the approach to recruitment and use of an Appointment Panel to lead the process.
- 5.2 It demonstrates that a robust and detailed process has been prepared, with a staged recruitment process ready to commence following instruction by the Appointment Panel.
- 5.3 Firstly, the Board is asked to:
- **Agree whether the role will be recruited on an interim or permanent basis**

Dependent on the above, the relevant sets of recommendations are applicable:

If recruiting on a permanent basis:

- **Agree to progress** with recruitment for a permanent role, at a salary of up to £150,000 per annum, also considering candidates available for secondment;
- **Note** the constitutional provisions in relation to the appointment of the Chief Executive;
- **Approve** the proposed revisions to the Chief Executive Role Profile;
- **Agree to set up** an Appointment Panel and make the appointments detailed at paragraph 3.9;
- **Agree** that Substitute members to the Appointment Panel may be permitted to act if the original member is unable to be present at any meeting, and to agree that in such circumstances each Panel

member may nominate their own Substitute member of TfN Board (or other DfT Representative in the case of the DfT Panel member);

- **Approve** the Terms of Reference for the Appointment Panel as attached as Appendix 2;
- **Approve** the approach described in this report and the process in case no appointment is made;
- **Raise** any matters concerning the appointment process which it would wish the Appointment Panel to consider.

If recruiting on an interim basis:

- **Agree to progress** with recruitment for an interim role, including internal and candidates available for secondment;
- **Note** the constitutional provisions in relation to the appointment of the Chief Executive;
- **Agree to set up** an Appointment Panel and make the appointments detailed at paragraph 3.9;
- **Agree** that Substitute members to the Appointment Panel may be permitted to act if the original member is unable to be present at any meeting, and to agree that in such circumstances each Panel member may nominate their own Substitute member of TfN Board (or other DfT Representative in the case of the DfT Panel member);
- **Approve** the Terms of Reference for the Appointment Panel as attached as Appendix 2;
- **Delegate** to the Appointment Panel the responsibility of agreeing the interim Chief Executive role profile and recruitment process for appointing an Interim Chief Executive;
- **Raise** any matters concerning the appointment process which it would wish the Appointment Panel to consider.

6. Appendices:

Appendix 1 – Role Profile

Appendix 2 – Draft Appointment Panel Terms of Reference

Appendix 3 – Draft Indicative Recruitment Timetable

Required Considerations

Equalities:

Age	Yes	No
Disability	Yes	No
Gender Reassignment	Yes	No
Pregnancy and Maternity	Yes	No
Race	Yes	No
Religion or Belief	Yes	No
Sex	Yes	No
Sexual Orientation	Yes	No

Consideration	Comment	Responsible Officer	Director
Equalities	A full Impact assessment has not been carried out given this is an internal TfN resourcing matter.	Stephen Hipwell	Dawn Madin

Environment and Sustainability

Yes	No
-----	-----------

Consideration	Comment	Responsible Officer	Director
Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	A full impact assessment has not been carried out as is not applicable.	Stephen Hipwell	Dawn Madin

Legal

Yes	No
-----	-----------

Consideration	Comment	Responsible Officer	Director
Legal	Legal implications are covered within the report.	Julie Openshaw	Dawn Madin

Finance

Yes	No
-----	-----------

Consideration	Comment	Responsible Officer	Director
Finance	The finance implications have been considered and are included in the report.	Paul Kelly	Iain Craven

Resource

Yes	No
------------	----

Consideration	Comment	Responsible Officer	Director
Resource	The resource implications have been considered and are included in the report.	Stephen Hipwell	Dawn Madin

Risk

Yes	No
-----	-----------

Consideration	Comment	Responsible Officer	Director
Risk	The key risks are included in the report.	Haddy Njie	Iain Craven

Consultation

Yes	No
-----	-----------

Consideration	Comment	Responsible Officer	Director
Consultation	A consultation has not been carried out given this is an internal TfN resourcing matter.	Stephen Hipwell	Dawn Madin