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To: Secretaries of Local Government Branches
Regional Heads of Local Government
Registered Professional/Sectional Bodies for information
Members of the Chief Officers and Senior Managers Forum

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Chief Officers and Senior Managers – Tougher at the Top report

This circular provides branches with UNISON's comments on the Audit Commission's report "Tougher at the Top". Branches are encouraged to use this to promote UNISON's voice in representing Chief Officers and Senior Managers.

(i) Audit Commission Report - Tougher at the Top (July 2008)

A full copy of the report can be found at <http://www.audit-commission.gov.uk/>

In July the Audit Commission produced a report focussing on the factors leading to salary inflation amongst local authority (Single Tier and County Council) Chief Executives from 2003. ST & CC Chief Executive basic salary has increased by 34% between 2003/4 and 2007/8 compared to 16% in the basic pay of private sector chief executives.

The key findings were:

- The scope and complexity of the role of Chief Executive has changed with more emphasis on leadership, public accountability and performance management through the Comprehensive Performance Assessment (CPA)
- CPA scores have played a significant role in the recruitment strategies of chief executives, most notably in poor performing authorities
- Higher turnover rates and the appointment of existing chief executives have increased most rapidly in those authorities with lower CPA scores reflecting their perception that the appointment of the a chief executive with a good CPA experienced track record is the best way to improve performance
- Higher turnover rates increasing to 17% in 2007, have been filled by mainly job- to job moves by existing chief executives, rather than retaining the incumbent chief executive or promoting talented first tier officers or senior managers into the role

- There is no evidence that chief executives recruited from other authorities are any more effective than first tier officers promoted into the role in delivering improved CPA performance in the medium term
- The rising demand of chief executive candidates, resulting from a higher turnover and combined with a focus on a narrow band of experienced candidates has created increased salary inflation by pushing up the marker value
- The increases achieved by the new appointees has been translated across the sector through the ongoing process of pay review where the salary ranges published also influenced the lower paid chief executives
- The gap between the higher and lower paid chief executives has also narrowed
- The trend towards recruiting existing chief executives: increases turnover; drives up recruitment costs; increases salary costs and raises questions over the extent to which new ideas and individuals are able to enter the chief executive labour market

UNISON Comment

Branches are encouraged to use the findings of the report to

- a) Raise with chief officers and senior managers members the issues of succession planning and career development
- b) Campaign and ensure local authorities strengthen succession planning and career development opportunities for Chief Officers and Senior Management members

The report highlights that the narrow focus of this recruitment trend has not produced a positive impact on this local government sector group. The outcome has been:

- A limit on new ideas and individuals entering the chief executive labour market
- Fewer posts or training and development for aspiring first tier officers to work their way up to chief executives
- An apparent fall in the use of deputy chief executives and a widening gap between chief executives and first tier officers becoming even greater
 - Higher turnover rates
 - Additional recruitment costs
 - Wage inflation

Best wishes,



Heather Wakefield
National Secretary
Local Government Service Group