The great majority of local authorities have now appointed a chief executive. But there are wide variations in the way the role is defined.

The legislative changes already introduced or projected make it critical for authorities to have robust mechanisms for making corporate decisions. A strong chief executive is essential to this process. The Government is also planning changes in the legal responsibilities of individual officers for propriety and good management in local government. Together, these developments mean that authorities need to reconsider the duties and powers of their chief executives.

Most of today's chief executives are former lawyers who have spent their careers in local government. They appear to carry out a wide variety of tasks, some strategic, some coordinating, some operational and some representative. The major difficulty they face is knowing how to select those tasks which are crucial to the achievement of the organisation's strategic objectives and which can only be carried out by the chief executives.

In the Commission's view, the chief executive must see his or her role as one of providing leadership to the council's paid staff. He or she must be both the authority's centre of continuity and its agent of change.

This means managing interfaces between politics and management, converting policy into strategy and then into action, developing processes, people and management skills to ensure that the authority is capable of delivering its strategy, reviewing its performance against stated objectives and thinking and planning for the future. To fulfil these important tasks, the chief executive needs the appropriate authority, access and ability. The role must be defined and understood by members and other chief officers.

Though the existence of chief executives is no longer a matter of great controversy in local government, the potential of the role is still far from being fully exploited in many cases. Local government needs leadership in the next few years to restore a sense of direction. A strong chief executive can provide much of that new leadership and direction, if he or she is allowed to do so.
INTRODUCTION

1 Chief executives in local authorities are not always what they seem. Many are not chief executive officers in the sense in which the title is used elsewhere. Their authority is often heavily circumscribed.

2 The typical local authority's complex set of interlocking power relationships make the definition of the chief executive's role particularly problematical. Different authorities have developed different definitions in the 14 years since chief executives were generally appointed across the country. In many cases, the arrangements work well. In others, there is tension and uncertainty, often because the chief executive's powers and duties are not adequately defined.

3 Where this is so, it is unlikely that the council's management arrangements for the delivery of economy, efficiency and effectiveness in services are as good as they could be. In particular, in the absence of a strong chief executive, local authorities find it hard to make effective 'corporate' decisions, decisions which cut across different services and affect the council as a whole. Lowest common denominator solutions may then be found, often involving higher costs.

THE NEED FOR CHANGE

4 The legislative changes already introduced or projected make it critical for authorities to have robust mechanisms for making corporate decisions.

5 These changes do not only affect individual services. The whole concept of the local authority as the body responsible for ensuring delivery of a range of public goods, trading off different demands against each other and against the willingness of the electorate to pay to see any of them satisfied, is increasingly coming into question. Critics of local government point to the well-publicised budget crises of some London authorities, to the apparent inability of education authorities to grapple with the problem of falling school rolls, and to the absence of corporate management of property, as signs that local government is unable to make the kind of decisions it must make if it is to be credible as a centre of genuine local discretion.

"...authorities will need to reconsider the duties and powers of their chief executives..."

6 Even after all the recent legislation, important resource allocation decisions will still rest with local government. That could change, however. There are signs that the Government is ready to look at systems of specific grants where they think local authorities have failed, or may fail, to make appropriate choices. The Griffiths proposals* on community care envisage a specific grant regime. The Department of Transport is becoming concerned about what they see as continued underspending by local authorities on road provision. Even some in local government are beginning to see a rationale for specific grants to protect services they see as threatened with neglect.

7 In the Commission's view, though there can be a case for specific grants in particular circumstances, it is right that choices about the scale and balance of provision should be made locally, by people who are sensitive to local needs.

If local authorities are to carry out this role effectively, they will need to demonstrate that they have central processes which can evaluate performance in different areas, make appropriate comparisons and come to decisions in an effective way.

8 Members must ultimately control these processes. But chief executives are crucial to their development. Unless the chief executive has the ability to bring corporate issues before the council, ensure they are resolved, and implement the decisions reached, it will be extremely difficult for any authority to operate as local government rather than local administration. A properly functioning chief executive is, therefore, an important guarantor of the continuation of local democracy.

9 Some councils have recognised this. They have ensured that their organisations are led by men and women with the formal authority and the management skills to support the creation of corporate policies by elected members.

10 There are still, however, many chief executives who are not fulfilling that role. They may head the paid staff, chair the management team, act as umpires in inter-departmental conflicts, represent the authority externally and appear to take full responsibility for the day-to-day operations of a range of service departments, yet still not be chief executives in any sense that would be understood outside the town or county hall.

11 The Widdicombe report† recognised that reality and suggested that the position of the chief executive in every local authority should be strengthened.

*Community care. Agenda for action. A report to the Secretary of State for social services
HMSO, 1988 ISBN 0113211309

† The conduct of local authority business. Cmnd 9797
HMSO, 1986 ISBN 0 10 1979703
by legislation. In its White Paper response* the Government said that it does not propose to make the appointment of a chief executive a statutory requirement. It has, however, defined a number of key central processes, including that of management coordination, for which every authority will need to assign individual responsibility. This means that authorities will need to reconsider the duties and powers of their chief executives in the light of the Government’s proposals.

12 But it is the total impact of legislative change, rather than this specific proposal, that requires authorities to reappraise the role of the chief executive. The Commission believes that in so doing authorities have much to learn from each other and from the private sector, in assessing the contribution a strong chief executive can make to management effectiveness. This Management Paper is intended as a stimulus to the process on which a number of councils are already embarked.

It is in three Sections:

Section 1 reviews the evolution of the chief executive role since its widespread introduction in 1974;

Section 2 draws together the conclusions of this review and suggests a general description of the chief executive role which focuses on those questions which are critical to the survival of the local authority as a corporate body;

Section 3 is in the form of a checklist of questions which authorities could use themselves, or in conjunction with their auditors, to assess the effectiveness of their own arrangements.

1. THE EVOLUTION OF THE CHIEF EXECUTIVE

FIRST AMONG EQUALS

13 Before the 1974 reorganisation, there were almost no chief executives in local government. Councils had clerks or town clerks who acted as principal advisers to the elected members and supervised central committee and other administrative functions. This gave them in most authorities the position of ‘first among equals’ in relation to other chief officers.

14 The concept of a chief executive developed from the Maud† and more particularly from the Bains* reports. Both of these drew on the private sector model of corporate management, but emphasised the structure rather than the role of the general management function. The advice to councils was to appoint policy and resources committees to integrate corporate activities at the political level, with management teams, coordinated by chief executives, carrying out a parallel task within the officer hierarchy. The Bains report set out a job description for chief executives which is still widely used. But the implications of this job description in terms of authority and accountability were not spelt out.

15 Some authorities continued to call their senior administrative officer town clerk or clerk, but about 95 per cent of councils now have an officer whom they call the chief executive. This change in description has, however, not always been accompanied by a significant change in the content of the job, and some chief executives continue to perform a role hardly distinguishable from that of the former clerks.

16 The introduction of a management team has had a much more noticeable effect on councils’ ways of working than has the designation of a chief executive. Particularly in smaller authorities, with homogeneous populations and limited functions, regular team meetings have enabled chief officers increasingly to understand each other’s businesses and to focus on matters of strategic importance to the authority as a whole. In these authorities, chief executives have played an important facilitating role. Where, however, the council’s activities comprise a wide range of services to different types of customer, and particularly where resources are under pressure, the management team has been perceived to be an inadequate coordinating mechanism. This has led to a recognition of the need for a more systematic approach to central management functions, and for an individual to take responsibility for them.

‘... need for an individual to take responsibility for central management functions...’

TODAY’S CHIEF EXECUTIVES

17 The emphasis placed by the Bains report on corporate management in the style of the private sector might have been expected to lead to an influx of private sector managers into the world of local government. In the event this did not occur; current chief executives have been recruited almost entirely from local government, mostly
from central departments, and are predominantly lawyers (though there are signs that the most recent appointees have been more varied in their background) (Exhibits 1 and 2). Their average age is 50, rather younger than the average for their private sector counterparts, and average length of local government service 28 years. Ninety-nine per cent of them are men. Only four of more than 400 serving chief executives are women.

18 There are undoubted difficulties in attracting and retaining suitable managers from outside local government. The National Health Service has experienced similar problems. Some external candidates are put off by the need to manage in a political environment. Another factor may be pay. Chief executive pay scales are recommended by their National Joint Council and are fixed in relation to population bands by type of authority. Authorities have discretion in placing chief executives on particular points of the recommended pay scales, and chief executive pay has tended to rise in recent years, with improvements, too, in related conditions of service. But packages on offer are generally not adequate to attract high-flyers from the private sector (Exhibit 3). Some authorities are experimenting with contract appointments related to performance criteria, both to allow higher salaries to be offered and to define and ensure accountability and performance. But so far only 11 out of almost 450 authorities have appointed chief executives on this basis.

19 The most significant influence on the willingness of suitably qualified managers to apply for chief executive positions may well be the manner in which the role has been defined.

Where the powers and duties of the chief executive are clear and mutually consistent, a realistic job specification can be drawn up. But where, as is often the case, authority and accountability are ambiguous, this is likely to deter not only potential applicants from outside local government but also existing council employees, particularly those who have been successful in service management.
THEIR CURRENT TASKS

20 Chief executives now appear to carry out a wide variety of tasks. Some are strategic, some coordinating, some operational, some representative. In fact, chief executives perform the work of 12 men—or part of it, at least. (Exhibit 4 overleaf).

21 The categories are not self-contained. Most chief executives find they have to devote some attention to all four types of role—the corporate manager cannot, for example, entirely avoid representative responsibilities. Sometimes the chief executive has to play two or more roles simultaneously, as when the management of a specific project requires the resolution of an inter-departmental disagreement or the close involvement of elected members. Most chief executives recognise that they are torn in all these different directions. The way they select their priorities will vary at different authorities, depending on the capability of the organisation, the environment within which it operates, the relationship between the managerial and political processes, their personal abilities, and if they are honest, on their inclinations. (Doing the things they like doing is an easy trap for chief executives, like all other managers).

22 Major authorities have proportionately more 'freestanding' chief executives than the smaller ones, though London is a notable exception to this rule (Exhibit 5 overleaf). Large departmental responsibilities are dangerous; they may leave little time for corporate functions, and may reduce the chief executive's status, rather than enhancing it, by positioning him or her as one departmental manager among others.

Exhibit 3

CHIEF EXECUTIVES’ SALARIES: LOCAL GOVERNMENT/PRIVATE SECTOR (1988)

Salary packages are generally not adequate to attract high-flyers from the private sector

Source: LACSAB; Korn Ferry Survey of UK Directors - second executive position

23 The most significant variations in the chief executive role arise as a function of the different ways in which the members perceive their roles and duties and organise themselves to carry them out. In authorities with a homogeneous majority group and a strong leader who is also in favour of delegation of management authority, the chief executive might find him or herself managing the authority in a direct way, with authority over other chief officers in respect to their day-to-day business. At the other extreme, in an authority with 'interventionist' members who wish to play a role in day-to-day management and where individual committees are the major seats of power, the chief executive might find it particularly difficult to carve out a role. There are many points on this continuum at which different authorities are positioned.

24 Members are increasingly influenced by party politics. Eighty-five per cent of authorities are now organised along party lines. A high political profile, with an externally directed campaigning style unrelated to the realities of getting better performance, inevitably has an effect on the ability of the chief executive to concentrate attention on management issues. Hung councils require the exercise of considerable political skills in attempting to get consensus between parties on common objectives. A confrontation style between parties can make a difficult situation even harder to manage.
### TWELVE CHIEF EXECUTIVES

<table>
<thead>
<tr>
<th>Role</th>
<th>Tasks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic:</strong></td>
<td><strong>The corporate manager:</strong> • managing on a regular basis the central processes of the authority, such as strategic planning, resource allocation, organisational and managerial development, value for money assessment and performance appraisal; and • review of departments and chief officers.</td>
</tr>
<tr>
<td></td>
<td><strong>The political manager:</strong> • managing the interface between the organisation and the politicians; • establishing member/officer conventions, reviewing the committee structure and power-sharing mechanisms and processes.</td>
</tr>
<tr>
<td><strong>Coordinating:</strong></td>
<td><strong>The administrator:</strong> • coordinating administrative processes; • supporting the member machinery.</td>
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<td></td>
<td><strong>The communicator:</strong> • collecting and disseminating information relevant to the work of the council and its departments.</td>
</tr>
<tr>
<td></td>
<td><strong>The trouble-shooter:</strong> • coping with or anticipating crises; • handling Ombudsman complaints; • resolving problems that departments ought to have sorted out themselves.</td>
</tr>
<tr>
<td></td>
<td><strong>The umpire/broker:</strong> • arbitrating between competing claims of departmental 'barons'; • ironing out problems between politicians and officers or between the centre and service departments.</td>
</tr>
<tr>
<td><strong>Operational:</strong></td>
<td><strong>The departmental manager:</strong> • running a department (normally legal or administrative); and • managing the processes within it.</td>
</tr>
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<td></td>
<td><strong>The specialist:</strong> • taking responsibility for certain corporate issues of concern to the council such as economic development or race relations.</td>
</tr>
<tr>
<td></td>
<td><strong>The project manager:</strong> • coordinating departments to address within a limited time-frame such specific issues as competition, under fives provision, vandalism or property management.</td>
</tr>
<tr>
<td><strong>Representative:</strong></td>
<td><strong>The dignitary:</strong> • attending civic functions; • accompanying the mayor/chairman; • representing the council in a formal sense.</td>
</tr>
<tr>
<td></td>
<td><strong>The salesman:</strong> • accompanying the leader on delegations; • 'selling' the authority to government departments or community groups, or the private sector; • providing a channel of communication between the council and external organisations.</td>
</tr>
<tr>
<td></td>
<td><strong>The figurehead:</strong> • communicating the values of the organisation internally through words and actions; • providing a model to both elected members and staff.</td>
</tr>
</tbody>
</table>
The notion is superficially attractive, but it does too much violence to the existing constitutional position. (Some maintain, of course, that the constitution of local government should be radically changed; those arguments go well beyond the scope of this paper). All councillors have, in principle, equal influence and, in many places, it is service committees which wield effective power. So it is pointless to maintain that in all circumstances chief officers should owe primary loyalty to, and take orders from, the chief executive.

These problems are understandable, but they cannot remain unresolved if a local authority is to achieve its full potential. The authority of the future will only justify its corporate existence if it can demonstrate that its central processes add value over and above that produced by its service departments. This will require a new and, for many authorities, different emphasis on those central processes, and on the role of the chief executive as the individual responsible for them.

25 There will always be great variety in local government. That is part of the point. But not all variants are equally effective, nor are all chief executives' responses to them.

SELECTIVITY

26 Most chief executives do try to make conscious choices as to how they allocate their time. They aim to identify, from the many processes for which they are responsible, those tasks which cannot be delegated. They intervene selectively when a particular role can only be fulfilled by the chief executive in person. Chief executives themselves believe that selectivity is essential. The problem is to identify which roles to select and when.

27 The criterion most frequently adopted is that of strategic significance—is the performance of any particular task by the chief executive in person crucial to the achievement of the organisation's strategic objectives? The test can only be applied by the chief executive who is able both to identify the important issues and to develop with members a shared vision of how they should be addressed. Many chief executives are not in this position. Some combinations of member activity and chief executive response can result in crisis—or stasis. Some feel boxed-in by political or organisational difficulties. Others have job descriptions which require them to spend a large amount of time in operational roles—sometimes involving processes for which the chief executive has little aptitude. Others simply find it difficult to distinguish the issues that matter from among the many that confront the organisation every day.

28 In searching for a redefinition of the chief executive's role it is tempting to look for simple comparators outside local government. Would it not be possible, so the argument runs, to adopt a straightforward corporate model, with a board (the policy executive), a non-executive chairman (the leader), a chief executive and a small team of executive directors (the chief officers)?

29 The notion is superficially attractive, but it does too much violence to the existing constitutional position. (Some maintain, of course, that the constitution of local government should be radically changed; those arguments go well beyond the scope of this paper). All councillors have, in principle, equal influence and, in many places, it is service committees which wield effective power. So it is pointless to maintain that in all circumstances chief officers should owe primary loyalty to, and take orders from, the chief executive.
CENTRE OF CONTINUITY: AGENT OF CHANGE

31 Yet there is a clear need for leadership for corporate thinking and for corporate decision-making. In the Commission's view the chief executive must be both the authority's centre of continuity and its agent of change. So whatever other responsibilities attach to the post, he or she must:

1. Manage the interfaces within the authority, both between politics and management and also, increasingly, between clients and contractors.
2. Convert policy into strategy and then into action.
3. Develop processes, people and management skills to ensure that the authority is, and will continue to be, capable of delivering its strategy.
4. Review performance against stated objectives.
5. Think and plan ahead.

32 Effective implementation of these tasks will make a major contribution to achievement of the eight key success factors identified in the Audit Commission's first Management Paper 'The competitive council' (Exhibit 6).

33 In some authorities, all these things are already done by the chief executive. In others, few are. Departments may exhibit a high degree of independence, with chief officers backed by professional bodies, seeing their accountability to committees or indirectly to Government departments. They may simply refuse to recognise the chief executive's authority. In this environment, members may wish to, and in some cases do, exercise line management authority over chief officers; sometimes the political culture pushes leading members into running departments themselves. That is almost always a mistake. The political process may also result in decisions being passed down, without regard to the organisation's capability to deliver.

34 The Widdicombe committee thought that the post of chief executive should be formalised, the duties clarified, and the authority of the role thereby strengthened. Although the Government says it accepts these objectives as important, it sees the difficulties of formulating legislation as outweighing the advantages of giving statutory recognition to the chief executive role. Instead, the Government has proposed that there should be statutory requirements for every council to designate an officer to be responsible for propriety (the 'propriety officer') and an officer to advise the council on the coordination of its functions, the organisation needed to discharge them and the arrangements needed to ensure proper staffing of that organisation (the 'management officer'). It is envisaged that the propriety officer might, and the management officer almost certainly would, be the chief executive. But the propriety officer cannot be the treasurer whose own statutory duties in relation

Exhibit 6
MANAGING BETTER

<table>
<thead>
<tr>
<th>Key Tasks</th>
<th>Understand customers</th>
<th>Respond to electorate</th>
<th>Consistent achievable objectives</th>
<th>Clear responsibilities</th>
<th>Train and motivate people</th>
<th>Communicate effectively</th>
<th>Monitor results</th>
<th>Adapt to change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manage internal relationships</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Convert policy into action</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Develop processes, people and skills</td>
<td></td>
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<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
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<tr>
<td>Review performance</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Think and plan ahead</td>
<td>X</td>
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<td>X</td>
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</tbody>
</table>
to unlawful expenditure were redefined in the Local Government Finance Act 1988. There is scope for confusion and overlap here; particularly in authorities where some existing structures of management and responsibility are unclear.

35 The proposed role of propriety officer is one carried out by many chief executives at present, but it is hard to reconcile this essentially restrictive function with the proactive approach demanded by the key management processes. The Commission believes that wherever possible authorities should separate the two roles, with the propriety role resting with the council's senior legal officer, and the chief executive ensuring that this role—like that of the financial officer—is exercised effectively (Exhibit 7).

36 The management officer role, on the other hand, is appropriate for the chief executive. The definition which the Government envisages does not provide a complete description of the chief executive role, but it could be interpreted to include responsibility for most of the key management processes the Commission has identified. The exception is performance review. The Commission considers that any definition, however brief, of the duties of the officer responsible for management coordination should include a specific reference to the review function. It hopes that this duty will be made explicit in the projected legislation and that the Government will draft the legislation so as to ensure that the management officer role does rest with the chief executive.

37 But the definition of these two roles (and the propriety officer function is hardly new) will not relieve councils of the need to work out at local level what the authority and accountability of the chief executive should be. It therefore falls to each individual authority to codify the role to be played by its chief executive and ensure that he or she has the power to carry it out. If members are reluctant to address the issue, the chief executive should take the initiative in doing so.

38 The Commission believes agreement is needed between each council and its chief executive on three aspects of power, without which the job cannot be done. These are:

Authority — formal recognition of the chief executive's responsibilities and the right to see they are carried out. Although some chief executives are able to operate effectively with a minimum of formal authority, in most circumstances personal influence skills need to be supplemented by powers which have been visibly conferred;

Access — to information, to the decision-making process, and to the resources required to do the job. The chief executive must have the right to know what is happening, to make enquiries, and to receive whatever reports are necessary. He or she needs the power to intervene wherever and whenever decisions are being taken, either by members or officers, to ensure that the values and capabilities of the organisation are understood, and that when decisions are taken, procedures and machinery exist to see that things happen;

Ability—the skills appropriate for the job in the particular context of the local authority concerned. Without authority and access, the most important duties of the chief executive are incapable of fulfilment. But both are more likely to be granted if the relevant skills are there.
Section 3 of this paper suggests a methodology to assess the role now played by the chief executive, how closely it matches the proposed definition in paragraph 31, and whether the chief executive has the power to exercise the role he or she is supposed to perform.

3. ASSESSING EFFECTIVENESS

40 The effectiveness of any authority’s chief executive function may be analysed along five dimensions:
- the definition of the chief executive role;
- the management processes and organisation needed to fulfil that mission;
- the information required to take corporate decisions;
- the support provided for the chief executive;
- the individual chosen to carry out those functions and the skills he or she possesses.

THE CHIEF EXECUTIVE’S ROLE

41 In a simple pyramid organisation it may not be necessary to produce a definition of the chief executive’s role. It is obvious who is in charge. But the position in local authorities is not so clear. The Commission therefore believes that most local authorities will find it useful to define the functions of their chief executive. The Commission’s own definition is suggested at paragraph 31. It is not the only one possible, but all the elements of the role described must be carried out by someone in the organisation.

42 It is not sufficient simply for the chief executive officer to define the role. There is a need to secure consensus around the definition and its implications, from members and other chief officers in particular. The chief executive alone cannot establish a corporate philosophy, if other chief officers do not accept that it is necessary. So it is vital that other officers and members of service committees understand and accept the chief executive’s legitimate interests in some aspects of the management of their services.

43 A role definition is not meaningful unless it can also be defined in terms of actions which will make it happen. So the key functions the chief executive will perform, and the management processes involved, must be made explicit. The overriding question here is:

- Is there a clear definition of the chief executive’s role within the authority?
- Are the implications of that role, in terms of authority and responsibility, understood by members and other officers?
- Are its implications accepted by others; do they behave as if they accept them?
- Does the role encompass the key corporate functions of: — managing interfaces; — converting policy into strategy into action; — developing people and management skills; — reviewing performance; — thinking ahead?
- If not, who is carrying out those functions, and why is the chief executive officer not responsible?

44 Each of the corporate tasks in paragraph 31 can be broken down and defined in a practical way. Managing interfaces implies a set of tasks, covering the organisation of members’ decision-making processes, the relationships between parties (particularly important in a hung authority) and, increasingly, the organisation of, and relationships between, different elements of the authority’s functions. Now that an authority is in practice required to establish separate client and contractor functions, either in the same or separate departments, there will be new tensions to manage. Also, as authorities take on the ‘enabler’, rather than ‘supplier’, role they must interact with a variety of other agencies. The chief executive will have an important part to play in all these areas.

- Do the authority’s management processes — both formal and informal — allow the chief executive to carry out his/her duties effectively?

MEMBERS

45 Members set policy. But they do not always do so in a way which lends itself readily to detailed implementation. Policy decisions and political aspirations must be converted into a strategy which the council can realistically hope to achieve with its financial and
Managerial resources. In turn, that strategy must be defined as a series of action steps designed to lead to the chosen outcome. This is the chief executive's most important role.

- Can the chief executive officer articulate a strategy for the authority as a whole which both responds to members' wishes and is consistent with the capabilities of the authority?
- Is that strategy defined in a practical way: as a series of actions designed to achieve a specified goal?

46 Many officers may be responsible for resource management, e.g., the treasurer for financial management, the valuer for property management. But the chief executive needs to be involved in, and take responsibility for, the strategic elements of overall resource management and developing the organisation and the people within it. The new management officer duty will give legal backing to certain elements of this responsibility.

47 Monitoring performance means ensuring that appropriate systems are in place to enable the efficiency and effectiveness of the organisation in delivering services to be measured and reviewed. It is surprising how few authorities perform this function in a satisfactory way. Where there are robust performance review procedures the chief executive is, almost invariably, centrally involved.

48 The chief executive's own performance should also be reviewed. There should be clear objectives against which his or her activities may be assessed. This is an important role for leading members.

- Do effective performance review systems exist?
- Does the chief executive officer have a key role in appointing, appraising and dismissing chief officers? If not, who does?
- Is it the chief executive officer's responsibility to ensure that chief officers review departmental performance?
- Do real consequences flow from poor performance identified in the review process?
- Is the chief executive's own performance reviewed? By whom?

49 Thinking ahead entails a systematic process of reviewing the external environment, as it is or may develop, and formulating an effective response to it in terms of strategy and structure, within the limits of the authority's resources and skills. Here the chief executive officer fulfils his/her role as the agent of change. Far from requiring the development of detailed corporate plans covering every aspect of the authority's future activities, this process demands concentrated attention on areas of change.

- Has the chief executive officer identified the key corporate decisions which will be required in the near future and formulated a plan to resolve them?
- Does he/she have a view of the opportunities and threats the authority will face in the future? And how it will respond to them?

**INFORMATION**

50 Performance review in the absence of accurate, timely information is a waste of time. Yet the management information available to top management in local authorities is often woefully inadequate. There are still relatively few authorities which regularly monitor information comparing performance across authorities. And in many cases information on departmental performance does not reach the chief executive. An authority should therefore ask itself:

- Does the chief executive receive, or have access to, the information needed to make informed judgements on:
  —cost management;
  —people management; and
  —performance against policy objectives?
- Is the management information which reaches the chief executive officer designed with those aims in mind?

**SUPPORT**

51 The chief executive does not exist in isolation. He or she is leader of a management team. And, if a 'strong' definition of the role is adopted, as the Commission favours, some staff support is also required. It is not
realistic to expect that in a large and complex authority a chief executive supported by a secretary can make a decisive impact on strategy and resource management. 52 On the other hand, the chief executive should avoid building an empire of extraneous functions, irrelevant to his or her principal functions or so formally structured that there is an inadequate response to changing priorities. This has happened in some places, generally to the detriment of the management of the authority as a whole. The key questions on support are:

- Do chief officers help the chief executive to fulfill his or her corporate role? Do chief officers themselves regard themselves as part of a team with common interests?
- Does the chief executive have appropriate staff support of suitable quality to carry out the functions assigned?
- Is the chief executive encumbered with other functions, which make concentration on the corporate role difficult or impossible?

**SKILLS**

53 A major change in the definition of the chief executive's role will often mean a change in the type of person required to fill it. Or, at least, it may mean that new skills will be required. The appointment of a new chief executive is a decisive moment for most authorities. The opportunity presented by the need to make a change should be seized for a debate on the role and the type of person needed to fulfill it. There are encouraging signs that authorities are indeed conducting such debates.

54 But the moment of appointment is not the only time to consider this issue. It should be remembered that the need for management development training does not stop on appointment. There are many programmes targeted at newly appointed chief officers or executives designed to encourage them to think broadly about their new role and how to fill it.

55 When it has defined the chief executive's role, and the processes to carry it out, the authority should ask itself:

- Does the chief executive officer have the range of management skills needed to carry out the role successfully?
- Is he/she a leader, with the ability to influence the values and performance of the staff?
- Does he/she have the political sensitivity and understanding required?
- Are there identifiable training needs which could be filled?
- Can he/she communicate effectively both within and outside the organisation?

**CONCLUSION**

56 For years the existence of chief executives in local government was a matter of some controversy. Though memories of that debate linger on, it has largely disappeared—chief executives have proved their worth. 57 But the potential of the role is still far from being fully exploited in many authorities. In the next five years, effective corporate management will be critical. And local government will need leadership to restore a sense of direction. A strong chief executive can provide much of that leadership and direction, if he or she is allowed to do so.