

10.00am Thursday, 19 November 2015

Transport for Edinburgh – Recruitment of Senior Managers and Appointment of Directors to Boards

Item number 8.8
Report number
Executive/routine
Wards

Executive summary

Transport for Edinburgh is in the process of recruiting to key senior management positions, namely a Chief Executive of Transport for Edinburgh Ltd, a Managing Director of Lothian Buses and a General Manager of Edinburgh Tram. This report provides an update on the recruitment process and seeks delegated authority for the Chief Executive of the City of Edinburgh Council, in consultation with members of the Transport for Edinburgh Nominations Committees, to give the consents required to enable the appointment of Directors to be made.

Links

Coalition pledges P19 P50
Council outcomes CO8
CO22 CO26
Single Outcome Agreement SO1

Transport for Edinburgh – Recruitment of Senior Managers and Appointment of Directors to Boards

Recommendations

- 1.1 To recommend that Council:
 - 1.1.1 Notes that the recruitment of a Chief Executive of Transport for Edinburgh Ltd, a Managing Director of Lothian Buses and a General Manager of Edinburgh Tram is in it's final stages.
 - 1.1.2 Delegates authority to the Chief Executive, in consultation with members of the respective Nomination Committees, to give the consents required under the shareholders agreements for the removal and appointment of Directors of Transport for Edinburgh and it's companies.
 - 1.1.3 Notes that a further report advising on the outcome of the recruitment to all three posts, the appointment of company Directors and any other changes to membership of the boards of Transport for Edinburgh and its companies will be submitted to Council at its meeting on 10 December 2015.

Background

- 2.1 The governance arrangements for the Transport for Edinburgh (TfE) group of companies, including the composition of the boards were approved by the Council at it's meeting on 22 August 2013. Under the shareholders agreement any decisions to appoint or remove a Director require the consent of the Council. The consent of the Council is also required to any changes in remuneration paid to the Chief Executive and any Executive Director of TfE.
- 2.2 Currently the role of Chief Executive of TfE is combined with that of Managing Director of Lothian Buses. As this post is due to fall vacant in January 2016 the respective Boards of TfE and Lothian Buses have agreed to separate the role of Chief Executive from that of Managing Director. The Chief Executive role will focus on the long term strategic direction of the TfE group, particularly the delivery of the integrated transport agenda. The Managing Director of Lothian Buses will focus on providing a clear future direction for the company and ensuring its continued long term commercial success.

- 2.3 Nominations Committees have been set up by both TfE and Lothian Buses to recruit respectively, a Chief Executive, and a Managing Director. Once the appointments to these two posts have been finalised it is intended that Chief Executive of TfE will become an Executive Director of TfE and a Non-Executive Director of Edinburgh Tram while the Managing Director of Lothian Buses will become an Executive Director of that company and a Non-Executive Director of Transport for Edinburgh, subject to consent being given by the Council.
- 2.4 The Managing Director post in Edinburgh Tram is also vacant. This role has been changed to a General Manager of Edinburgh Tram and a recruitment exercise has taken place in parallel with recruitments by TfE and Lothian Buses.

Main report

- 3.1 The recruitment exercise for the posts attracted an exceptionally strong field of well qualified and experienced candidates. Interviews for the post of Chief Executive of TfE Ltd were held on 13 November 2015 while interviews for the Managing Director of Lothian Buses were held on 11 November 2015. The recruitment for both these posts are at different stages and in order to facilitate the finalisation this process it is requested that, authority is delegated to the Chief Executive of the City of Edinburgh Council, in consultation with the Convener and Vice Convener for Transport and Environment and members of the respective Nomination Committees, to give the consents required under the shareholders agreements to appoint the post-holders as Directors and to any other changes to membership of the boards of the TfE group.
- 3.2 The outcome of all three recruitments, the appointment of Directors and any other changes to membership of the boards of TfE and it's subsidiary companies will be reported to Council at it's meeting on 10 December 2015

Measures of success

- 4.1 The three senior managers within TfE and it's subsidiary companies are successfully appointed to.

Financial impact

- 5.1 There are no financial impacts as a result of this report

Risk, policy, compliance and governance impact

- 6.1 The appointment of Non-Executive Directors to the boards of Lothian Buses, Edinburgh Tram and TfE helps to ensure there is good governance, management of financial risk and independent, external scrutiny of the operation and management of these companies. Non-Executive Directors owe, by law, certain fiduciary duties to the company to act in its best interests.

Equalities impact

- 7.1 The recruitment process for the Non-Executive Directors was carried out in accordance with TfE's recruitment policy which complies with the relevant equalities legislation.
- 7.2 TfE and its companies provide high quality, accessible transport and which helps to promote social inclusion.

Sustainability impact

- 8.1 The principle operation undertaken by TfE and its companies contributes greatly towards a high quality, accessible and well integrated public transport system. This reduces dependency on car travel, reduces congestions and emissions.

Consultation and engagement

- 9.1 Nominations Committee members have been involved in the recruitment process and will be consulted with in concluding board member arrangements.

Background reading/external references

Edinburgh Tram – Preparing for Operations, The City of Edinburgh Council 22 August 2013

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Links

Coalition pledges	P19 - Keep Lothian Buses in public hands and encourage the improvement of routes and times P50 – Meet greenhouse targets, including the national target of 42% by 2020
Council outcomes	CO8 – Edinburgh’s economy creates and sustains job opportunities CO22 - Moving efficiently – Edinburgh has a transport system that improves connectivity and is green, healthy and accessible CO26 - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives
Single Outcome Agreement	SO1 – Edinburgh’s economy delivers increased investment, jobs and opportunities for all
Appendices	None