

REQUEST FOR DIRECTOR DECISION – DD1492

Title: Executive Search Services for TfL Board Members

Executive Summary:

This decision form sets out the proposal to procure an executive search agency to deliver the search and selection for appointments to the TfL Board. The final decision on the appointments will be made by the Mayor.

An independent review of the TfL Board was conducted by Deloitte in 2015 and recommends engaging an executive search firm to recruit specialist skills for future board appointments.

The GLA have worked closely with the TfL Commercial team to prepare Invitation to Tender (ITT) documentation and agree a competitive procurement route. A total of six executive search agencies have been identified and will be invited to tender a submission.

Decision:

That the Executive Director approves a £70K budget to procure the services of an executive search agency for appointments to the TfL Board.

AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Martin Clarke

Position: Executive Director of Resources

Signature:

Date:


TOM MIDDLETON ON BEHALF OF MARTIN CLARKE

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. There are currently 16 Board members including the current Mayor (Chair of the Board). The Mayor's appointment as the Chair will end when the current mayoral term ends. The Chair and Deputy Chair will not be included as part of the search agency requirements. All other members current terms are due to expire on 17 June 2016.
- 1.2. To meet the minimum number of members on the Board (eight), the GLA proposes that the new Mayor re-appoint a small number of existing members for up to four months, to enable the Board to function until a new Board is fully appointed. This process will be managed through short term extensions to existing terms of appointment. However this is only an interim solution and new Board appointments need to be in place as soon as possible.
- 1.3. An independent review of the TfL Board was conducted by Deloitte in 2015. It outlines key recommendations for ensuring the Board is effective moving forwards. These recommendations include a) appointing an executive search agency to support future appointments, b) enhancing existing skills areas as well sourcing candidates for new skills areas and industry expertise and c) attracting candidates for the Board to be more representative of Londoners, specifically greater gender and ethnic diversity.
- 1.4. The GLA will ensure the recruitment and appointment process is in accordance with the Mayoral appointments protocol which includes involving an 'independent' element to provide some measure of assurance the Mayor has acted reasonably in making these appointments. *DD934 Appointment and Payment of Independent Element in Board Appointments* confirms the amount to be paid to persons participating in board selection processes.

2. Objectives and expected outcomes

- 2.1. The objective is to procure an executive search agency to deliver the search and selection function to appoint up to seven members to the Transport for London (TfL) Board by 1 August 2016. The executive search agency will be required to provide a pool of suitably qualified, skilled and diverse candidates to ensure the GLA's board composition requirements are met and support the recommendations outlined in the independent effectiveness review.
- 2.2. The GLA has worked closely with the TfL Commercial team to prepare the Invitation to Tender (ITT) documentation and agree a competitive procurement route. A total of six executive search agencies have been identified and will be invited to tender a submission.
- 2.3. It is expected that the executive search agency will be appointed by 12 April 2016.

3. Equality comments

- 3.1. The Invitation to Tender (ITT) documentation makes clear:
 - The legislation that places a general duty upon the GLA to have due regard to the need to tackle discrimination, promote equality of opportunity and promote good relations.

- Under the GLA group statement of principles on Supplier Diversity, this general duty applies to services delivered by third party suppliers to ensure the purchase of services is undertaken in line with its equalities and diversity commitments.
- Board appointments should aim to be more representative of Londoners, specifically greater gender and ethnic diversity on the Board.
- Through the bid tendering process suppliers must demonstrate, in relation to the GLA's equality duty, how they will ensure the candidates reflect London's diversity.
- Board appointments must represent the interests in relation to transport of women and who require transport which is accessible to persons with mobility problems.

4. Other considerations

4.1. *Mayoral strategies and priorities*

The statutory requirement is to appoint a new Transport for London Board within 45 days of the announcement of the new Mayor. All members current terms are due to expire on 17 June 2016. The GLA propose the new Mayor re-appoint a small number of existing members for up to four months, to enable the Board to function until a new Board is fully appointed.

4.2. Risks and issues

There is a risk that the organisations bid above the £70k budget. If this is the case, the number of Board Members being recruited through the executive search agency would need to be reduced, thereby reducing the overall cost.

4.3. Not proceeding with this procurement and contract would mean the GLA would have to direct source a high volume of candidates. This needs to be a robust executive level candidate search for high profile Board appointments. The GLA does not have the resources to manage this high level recruitment campaign and appointing up to seven members to the Board by 1 August 2016 may not be achievable.

4.4. Impact assessments and consultations

Transport for London legal and procurement have been extensively consulted as part of this work.

5. Financial comments

5.1. A budget of up to £70K has been allocated from the GLA Recruitment and Advertising budget.

6. Legal comments

6.1. Paragraph 2(1) of Schedule 10 of the Act states that "...Transport for London shall consist of not less than eight nor more than fifteen members, all of whom shall be appointed by the Mayor." Procuring an executive search agency to deliver the search and selection for appointments to the TfL Board is conducive to the exercise of the Mayor's functions set out in Schedule 10.

6.2. Any works, services, or supplies which are required, must be procured by TfL Commercial. TfL Commercial has determined the procurement strategy and the requirement will be procured in accordance with the GLA's Contracts and Funding Code ('Code').

6.3. TfL Legal has reviewed the Tender documentation and provided comments to TfL Commercial. TfL Legal will continue to assist where necessary.

7. Planned delivery approach and next steps

- 7.1. The Invitation to Tender (ITT) documents have been produced with input from TfL Commercial (procurement and legal) and issued to bidders. Below is the agreed procurement timetable:

Procurement Activity	Date
Issue Invitation to Tender	17/03/2016
Deadline for Tender submissions	04/04/2016
Clarification meeting with Suppliers	06/04/2016
Evaluation of Tender	07/04/2016
Contract Award	12/04/2016

- 7.2. Below is the initial timetable for the appointment of Board members to be finalised and agreed once the executive search agency has been appointed:

Recruitment Activity	Date
Contract Award	12/04/2016
Search agency briefed – scoping meeting	18/04/2016
Campaign Planning Document (CPD) approved	21/04/2016
Recruitment opens	25/04/2016
Recruitment closes	05/06/2016
Final recommendation list submitted to GLA	07/06/2016
GLA confirm first stage interviews invites to search agency	13/06/2016
Invites issued by search agency	14/06/2016
Shortlist – search agency provides feedback to unsuccessful candidates	14/06/2016
First stage Interviews – conducted by GLA	28/06/2016
GLA confirm final stage interviews invites to search agency	01/07/2016
Search agency issues invites for final stage interviews	04/07/2016
First stage interviews – search agency provides feedback to unsuccessful candidates	06/07/2016
Final stage interviews – conducted by GLA	21/07/2016
Final selection made – verbal offer extended to successful candidates	25/07/2016
Mayoral appointment letters issued	01/08/2016
Board meeting	22/09/2016

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Note: This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason:

Disclosure of the programme budget may compromise the procurement process. Therefore, it is recommended to defer publication of this DD until completion of the procurement process.

Until what date: Until 12 April 2016 when the procurement process has concluded.

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form –NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Andrew Baxter has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Juliette Carter has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

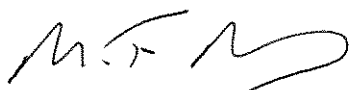
The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature



Date

30.03.16

TOM MIDDLETON ON BEHALF OF MARTIN CLARKE

