

CHIEF EXECUTIVE REMUNERATION COMMITTEE

13 December 2015 at 5.00pm

Present: Councillors Wotherspoon (Chairman), Cates, Chapman, Clayden, Hitchins and Dr Walsh.

Councillors Elkins and Warren (part) were also present at the meeting.

370. DECLARATIONS OF INTEREST

The Monitoring Officer has advised Members of interim arrangements to follow when making declarations of interest. They have been advised that for the reasons explained below, they should make their declarations on the same basis as the former Code of Conduct using the descriptions of Personal and Prejudicial Interests.

Reasons

- The Council has adopted the government's example for a new local code of conduct, but new policies and procedures relating to the new local code are yet to be considered and adopted.
- Members have not yet been trained on the provisions of the new local code of conduct.
- The definition of Pecuniary Interests is narrower than the definition of Prejudicial Interests, so by declaring a matter as a Prejudicial Interest, that will cover the requirement to declare a Pecuniary Interest in the same matter.

Where a Member declares a "Prejudicial Interest" this will, in the interests of clarity for the public, be recorded in the Minutes as a Prejudicial and Pecuniary Interest.

There were no declarations of interest made.

371. MINUTES

The Minutes of the meeting held on 10 December 2015 were approved as a correct record and signed by the Chairman.

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372. EXEMPT INFORMATION

The Committee

RESOLVED

That under Section 100A(4) of the Local Government Act 1972, the public and accredited representatives of newspapers be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act by virtue of the paragraph specified against the item.

A member of the public and a member of the press who were in attendance then left the meeting during consideration of the following item.

373. CHIEF EXECUTIVE'S REMUNERATION FOR 2016/17 (Exempt – Paragraph 1 – Information Relating to Individuals)

Prior to this matter being considered by the Committee, the Head of Human Resources & Customer Services gave an explanation as to why it was being dealt with under Exempt Business, namely that the appraisal letter from the Leader of the Council to the Chief Executive contained personal and sensitive information.

Members participated in a detailed debate around the performance bands and the achievement of the Chief Executive against his targets. The Leader of the Council had confirmed that his performance over the year had been excellent and that he had achieved everything that had been asked of him and more. The Committee therefore came to a majority view that a performance related pay award of 3% should be recommended to Full Council for approval.

In considering the matter, concern was raised that the Committee was being asked to put forward a recommendation based on information that was open to interpretation and was imprecise. It was agreed that a letter be sent to the Leader from the Committee expressing its concerns with regard to a number of issues so these could be addressed prior to consideration of the next pay award.

The Committee

RECOMMEND TO FULL COUNCIL

That the level of performance related pay be 3%.

Councillor Dr Walsh asked that his vote against this recommendation be recorded.

The meeting then moved back into open business.

374. CHIEF EXECUTIVE REMUNERATION 2016/17

In presenting this item, the Head of HR & Customer Services corrected the date of the report to 28 November 2016. She advised that the first element to the pay award for the Chief Executive had been considered as the previous item on the agenda and that the Committee had recommended that, as the Chief Executive's performance was considered to fall into Band 4 which was classed as exceptional performance, a 3% increase should be awarded. The second element related to timing of the pay award and the salaries of Chief Executives within comparative districts of the South East.

The CEO's present remuneration was £110,603 whilst the median across all the authorities was £114,620 and the average was £116,851. The report set out the effect of (1) a base increase of 2% with 1%, 2% or 3% performance pay and (2) a lump sum increase of £4,000 with 1%, 2% or 3% performance pay. Members had also asked for the figures relating to a £3,000 lump sum, which would result in a salary of £112,603 plus 3% = £117,011.

The Committee was reminded that for the last two years the Chief Executive had received the same national pay increase as staff in April, with an additional performance related amount awarded in October. For the purpose of transparency, it was felt that the two awards should be combined and paid with effect from 3 October annually.

A Member view was put forward that the proposed increase in base salary with an additional performance increase of 3% was unacceptable in the present economic climate and encapsulated why people on the street felt alienated from the elite. The Council was shrinking in size and cutting costs and services so how could that be justified – it would be morally wrong to go beyond a 1% increase.

In countering that view, comment was made that it was an affront to the people of Arun that the Chief Executive was paid less than in the majority of comparative authorities. Due to the change that was taking place, the Council needed to pay at least what was the average for the South East. A further

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view was expressed that, as the Chief Executive would be taking on additional responsibilities due to the retirement of the Deputy Chief Executive and Resources Director, an increase in base pay in the form of a lump sum for 2016 only was appropriate.

Following further discussion, the Committee considered the proposal for a one off payment and it was suggested that this be £3,000. Having been formally proposed and seconded, a vote was taken and declared CARRIED. Councillor Dr Walsh requested that his vote against be recorded.

The Committee then turned to the recommendations in the report and

RECOMMEND TO FULL COUNCIL – That

(1) the formula applied for 2014/15 and 2015/16 is not rolled forward and that a new basis for the remuneration of the Chief Executive is recommended;

(2) the Chief Executive's full remuneration for 2016/17 be paid with effect from 3 October 2016 and with effect from 3 October in subsequent years;

(3) a one off payment be awarded with effect from 3 October 2016 only, to bring the salary to a position of parity with comparator Chief Executives and that this figure be £3,000; and

(4) in addition to the one off payment in (3), performance related pay, considered under exempt business as an earlier item on the agenda, of 3% be paid with effect from 3 October 2016, and that the total remuneration of the Chief Executive be £117,011.

Councillor Dr Walsh asked that his vote against recommendations (3) and (4) be recorded.

(The meeting concluded at 7.00 pm)