

Committee Manager : Jane Fulton (Ext 37611)

28 November 2018

CHIEF EXECUTIVE REMUNERATION COMMITTEE

A meeting of the Remuneration Committee will be held in Committee Room 1 (the Pink Room) at the Arun Civic Centre, Maltravers Road, Littlehampton on **Tuesday 11 December 2018 at 6.00 p.m.** and you are requested to attend.

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

A G E N D A

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

Members and Officers are reminded to make any declarations of pecuniary, personal and/or prejudicial interests that they may have in relation to items on this agenda and are reminded that they should re-declare their interest before consideration of the item or as soon as the interest becomes apparent.

Members and officers should make their declaration by stating :

- a) the item they have the interest in
- b) whether it is a pecuniary, personal and/or prejudicial
- c) the nature of the interest

3. MINUTES

To approve as a correct record the Minutes of the meeting held on 5 December 2017 (attached).

4. ITEMS NOT ON THE AGENDA WHICH THE CHAIRMAN OF THE MEETING IS OF THE OPINION SHOULD BE CONSIDERED AS A MATTER OF URGENCY BY REASON OF SPECIAL CIRCUMSTANCES

5 CHIEF EXECUTIVE REMUNERATION 2018-19

This paper summarises the information that Members of the CEO Remuneration Committee will need to consider in order to make recommendations on the Remuneration of the Chief Executive for 2018/19.

This report will contain Exempt Background papers relating to the Chief Executive's appraisal which will be circulated to Members of the CEO Remuneration Committee only at the meeting.

Note : *Indicates report is attached for Members of the Committee only.

Note : Members are reminded that if they have any detailed questions would they please inform the Chairman and/or the Group Head of Corporate Support in advance of the meeting.

AGENDA ITEM NO. 5**ARUN DISTRICT COUNCIL****REPORT TO AND DECISION OF THE CHIEF EXECUTIVE'S
REMUNERATION COMMITTEE
ON 11 DECEMBER 2018****PART A : REPORT****SUBJECT: Chief Executive Remuneration – 2018-19****REPORT AUTHOR: Alan Peach – Group Head for Corporate Support****DATE: 28 November 2018****EXTN: 01903 737558****PORTFOLIO AREA: Corporate Support****EXECUTIVE SUMMARY:** This paper summarises the information that Members of the CEO Remuneration Committee will need to consider in order to make recommendations on the Remuneration of the Chief Executive for 2018-19 to Full Council.

This report will contain Exempt background papers referring to the Chief Executive's appraisal which will be circulated to Members of the Committee only at the meeting. [Paragraph 1 of Schedule 12A of the Local Government Act 1972].

RECOMMENDATIONS: The Committee is requested to consider the information provided in this report and the exempt background papers in order for it to make recommendations on the remuneration of the Chief Executive, to be paid with effect from 3 October 2018, to Full Council on 9 January 2019.**1. BACKGROUND:**

This paper covers the information and background which Members need to consider in confirming the Chief Executive's pay award for 2018-19. The information provided is a set out below:

- Current remuneration
- Agreed pay formula
- Salary comparison
- Update on national pay negotiations

The Chief Executive's salary is currently £119,936.

2. PROPOSAL(S):

There are a number of issues which the Committee needs to consider in determining its recommendations on the Chief Executive's remuneration for 2018-19 – these are:

Pay Formula

The key elements to the current formula are as follows:

- a) That performance related pay (PRP) be awarded based on the performance bands approved at the Chief Executive's Appraisal. This is set out in the Exempt Background Paper provided to Members of the Committee only and sets out the number of and definitions for the various performance levels, as well as the pay which would be attached to each of these levels. These definitions have been agreed by the Chief Executive and the Leader of the Council in her position as Chairman of the Chief Executive's Appraisal Panel. Members of the Chief Executive Remuneration Committee have been involved in informal discussions on these definitions and are also satisfied with them.
- b) The award of PRP is to be determined by the outcome of the Chief Executive's annual appraisal which took place on 19 November 2018. Information setting out the outcome of the appraisal will be provided as an exempt background paper to Members of the CEO Remuneration Committee only. This is because this information, namely the appraisal letter from the Leader of the Council to the Chief Executive, will contain personal and sensitive information
- c) That this review should take account of all relevant factors, included national salary negotiations, but will not be directly linked to any national pay award.

The Chief Executive, the Leader of the Council and Deputy Leader have confirmed that they are agreeable for the performance related pay bands, as detailed in the exempt background paper, to remain in place and continue to be used for the purposes of determining the Chief Executive's pay award for the next three years.

Comparator Salaries

At Full Council on 11 January 2017, it was resolved to award the Chief Executive a one-off payment with effect from 3 October 2016 to bring the salary to a position of parity with comparator Chief Executives. The Remuneration Panel are provided with information on Chief Executive salaries from comparative districts within the South East to allow for continuous review. In summary, the position is that the Chief Executive's remuneration is currently £119,936. The median across all authorities is £121,000 and the mean average is £125,774 (these figures are based on the maximum of the salary range for each Council). Members are asked to consider this information and to agree whether the pay award proposed provides the Chief Executive with a comparable salary with other Chief Executives from similar authorities.

National Pay Negotiations

The Chief Executive's salary is no longer linked directly to pay increases received by other Local Authority employees, but this should be considered as part of the context within any recommendations are made. The current national situation is that from 1 April 2019, a new salary scale has been introduced which provides employees with an average increase of 2% (increases are higher towards the bottom of scale to allow for compliance with the National Living Wage).

Chief Executive's Appraisal

This took place on 19 November 2018 and the Leader of the Council wrote to the Chief Executive following the appraisal. This letter is attached to this report as an exempt background paper as it is personal to the individual [the Chief Executive] and so confidential to Members of this Committee only. Also attached as an exempt background paper for Members of the Committee only, is the Chief Executive's targets for 2017/18 to provide some context, however, the CEO Remuneration Committee is reminded that it is not the remit of this Committee to make its own judgement on the performance of the Chief Executive.

3. OPTIONS:

Members are asked to consider the issues identified above and decide what they wish to recommend onto Full Council.

4. CONSULTATION:

The panel has arranged to meet immediately prior to the formal meeting for an informal briefing.

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		X
Relevant District Ward Councillors		X
Other groups/persons (please specify)		
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial		X
Legal		X
Human Rights/Equality Impact Assessment		X
Community Safety including Section 17 of Crime & Disorder Act		X
Sustainability		X
Asset Management/Property/Land		X
Technology		X
Other (please explain)		X

6. IMPLICATIONS:

The Council has a contractual duty to undertake a review of the Chief Executive's remuneration on an annual basis.

7. REASON FOR THE DECISION:

To consider the assessment of the Chief Executive's performance as confirmed by the Chief Executive's Appraisal Panel held on 19 November 2018 and in line with the arrangements for deciding the remuneration for the Chief Executive as set out in the Council's Constitution as Part 3 – Section 9.2.

8. BACKGROUND PAPERS:

There are two Background Papers as set out below:

- Letter from the Leader of the Council confirming the outcome of the Chief Executive's Appraisal
- The Chief Executive's Performance Targets for 2017/2018 provided by the Appraisal Panel

Both of these papers are Exempt – Paragraph 1 – of Schedule 12A of the Local Government Act 1972 – Information Relating to Individuals) and will provided to Members of the CEO Remuneration Committee only at the meeting.

CO Job Title	Tier	Region	Organisation Type	Min Salary	Max Salary	Lease Car allowance	Healthcare	PRP	OtherPay	Essential Car Allowance	Statutory Fees
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	102908	112865	0	0	0	0	0	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	103743	114426	0	360	0	4200	0	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	114750	114750	0	0	0	0	760	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	97769	115019	7518	3997	0	0	0	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	103896	115416	0	0	0	0	4280	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	108963	115807	0	0	0	0	0	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	119264	119264	0	0	0	0	0	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	106313	119864	6300	0	0	0	0	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	119936	119936	0	0	0	0	0	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	109327	120258	5400	0	0	0	0	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	114000	121000	0	52	0	0	1239	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	124000	124000	0	0	0	0	0	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	114000	126000	0	0	2757	0	0	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	107261	127399	2733	0	0	0	0	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	110171	127513	0	0	0	0	0	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	115155	127947	0	0	1862	0	4450	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	130066	130066	0	0	0	0	0	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	113828	132628	2400	0	0	5328	0	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	112325	134785	0	0	0	0	6470	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	128820	138336	0	0	0	0	0	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	130063	139427	0	0	0	0	0	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	128060	141576	4620	62	0	0	0	0
Chief Executive / Head of Paid Services	1	South East	District/Borough Council	132091	154526	0	0	0	0	0	0
				115,074	125,774						
				113,828	121,000						
						Mean Average					
						Median Average					