



Public Document Pack

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30 November 2020

CHIEF EXECUTIVE'S REMUNERATION COMMITTEE

A virtual meeting of the Chief Executive's Remuneration Committee will be held on **Tuesday 8 December 2020 at 6.00 pm** and you are requested to attend.

Members: Councillors Mrs Gregory (Chairman), Bennett, Charles, Clayden and Dixon.

PLEASE NOTE: *This meeting will be a 'virtual meeting' held using Zoom but as it is a Working Party meeting will be held in private and so not open to the public. The meeting invite including the meeting joining instructions will be sent out 24 hours before the meeting. This meeting will not be webcast.*

Different meeting arrangements are in place for the period running from 4 April 2020 to 7 May 2021 from the provisions of the Coronavirus Act 2020 and the meeting regulations 2020, to allow formal 'virtual meetings'.

This Council's revised Rules of Procedures for 'virtual meetings' can be found by clicking on this link: <https://www.arun.gov.uk/constitution>

For further information on the items to be discussed, please contact: committees@arun.gov.uk

AGENDA

1. **APOLOGIES FOR ABSENCE**

2. **DECLARATIONS OF INTEREST**

Members and Officers are invited to make any declarations of pecuniary, personal and/or prejudicial interests that they may have in relation to items on the 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 declarations by stating:

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

3. MINUTES

(Pages 1 - 2)

To approve as a correct record the Minutes of the meeting held on 18 December 2019, as 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 - 2020/21

(Pages 3 - 8)

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 2020-21 to Full Council.

This report will contain Exempt background papers referring to the Chief Executive's appraisal which will be shared with Members of the Committee only. The Exempt documents attached can be found at Item 7 [Paragraph 1 of Schedule 12A of the Local Government Act 1972].

The Committee will need to move into Exempt business to debate these documents.

6. EXEMPT INFORMATION

The Committee is asked to consider passing the following resolution:-

That under Section 100A(4) of the Local Government Act 1972, the public and the accredited representatives from newspapers be excluded from the meeting for the following item of business on the grounds that it may involve the likely disclosure of exempt information as defined in Part 1 and Part 5 of Schedule 12A of the Act by virtue of the paragraph specified against the item.

7. CHIEF EXECUTIVE'S REMUNERATION - 2020-21 - (Pages 9 - 12)
CONFIDENTIAL BACKGROUND PAPERS [PARAGRAPH 1 -
INFORMATION RELATING TO ANY INDIVIDUAL]

The following Exempt Papers are attached:

- Report from the Leader of the Council following the Chief Executive's Appraisal held on 2 November 2020 by the Appraisal Panel – to be shared with the Committee at the meeting
- The Chief Executive's Performance Targets for 2019/2020
- Performance Bands for the Chief Executive Appraisal

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

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Public Document Pack Agenda Item 3

Subject to approval at the next Chief Executive's Remuneration Committee meeting

251

CHIEF EXECUTIVE'S REMUNERATION COMMITTEE

18 December 2019 at 5.00 pm

Present: Councillors Mrs Gregory (Chairman), Charles, Clayden, Dixon and Mrs Worne.

344. DECLARATIONS OF INTEREST

There were no Declarations of Interest made.

345. MINUTES

The Minutes of the meeting held on 11 December 2018 were approved by the Committee as a correct record and signed by the Chairman.

346. CHIEF EXECUTIVE REMUNERATION - 2019/20

The Chairman invited the Group Head of Corporate Support to present this item. The Committee therefore received a report summarising the information that it needed to consider in order to make recommendations on the remuneration of the Chief Executive for 2019/20 to Full Council.

The report provided information on current remuneration; the pay formula; salary comparisons; and an update on national pay negotiations.

The Group Head of Corporate Support confirmed that following the Chief Executive's Appraisal Panel held on 18 November 2019, the Leader of the Council had written to the Chief Executive confirming that the Appraisal Panel had agreed that his performance over the last year had achieved an appraisal score of 3.15, this confirmed very good performance. This letter along with the performance bands agreed by the Appraisal Panel and the Chief Executive's targets set for 2018/19 had been provided to the Committee as Exempt items as they were personal to the individual [the Chief Executive] and so confidential to Members of the Committee only. The Committee also received a further paper from the Chief Executive outlining some points for the Committee to take into consideration.

The Committee then asked questions about the likely pay award that staff would receive in 2020 and turned its attention to the performance bands set by the Appraisal Panel and the outcome of the Chief Executive's Appraisal so that it could understand what this might mean in terms of setting a percentage pay award for the Chief Executive.

Chief Executive's Remuneration Committee - 18.12.19

Following some further discussion, Councillor Clayden stated that based on past deliberations and the outcome of the Appraisal he could see that the Chief Executive had achieved good performance for 2018/19 resulting in him being awarded a scoring of 3.15 – this equated to a 2% pay award. Councillor Clayden therefore proposed that this be the level of remuneration set and put forward to Full Council for approval and this was seconded by Councillor Charles.

The Committee unanimously agreed that the performance related pay should be 2% and that in line with what had been resolved at Full Council on 10 January 2018, this be paid from 3 October 2019.

The Committee therefore

RECOMMEND TO FULL COUNCIL

That following the Chief Executive's Appraisal held on 18 November 2019, the level of performance related pay for 2019/20 be 2%, with this being paid from 3 October 2019.

347. COMPLIMENTS OF THE SEASON

The Chairman took this opportunity to wish the Committee and staff a very Happy Christmas and New Year.

(The meeting concluded at 5.06 pm)

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF THE CHIEF EXECUTIVE'S REMUNERATION COMMITTEE ON 8 DECEMBER 2020

SUBJECT: Chief Executive Remuneration – 2020-21

REPORT AUTHOR: Alan Peach – Group Head for Corporate Support
DATE: 19 November 2020
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 2020-21 to Full Council.

This report will contain Exempt background papers referring to the Chief Executive's appraisal which will be shared with 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 2020, to Full Council on 13 January 2021.

1. BACKGROUND:

This paper covers the information and background which Members need to consider in confirming the Chief Executive's pay award for 2020-21. The information provided is set out below:

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

The Chief Executive's salary is currently £125,393 per annum.

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 2020-21 – 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 award which would be attached to each of these levels.
- b) The award of PRP is to be determined by the outcome of the Chief Executive's annual appraisal which took place on 2 November 2020. 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, including national salary negotiations, but will not be directly linked to any national pay award.

It has previously been agreed that this method for determining the Chief Executive's pay award should continue to be used until at least 2020. Following this CEO Remuneration Committee, the Chief Executive and the Leader of the Council will be asked whether they wish for the current process to continue next year.

Comparator Salaries

The Remuneration Committee is also provided with information on Chief Executive salaries from similar Local Authorities within the South East to allow for continuous review in ensuring that the Chief Executive's salary remains comparable. Unfortunately, the salary data service used in previous years is no longer available. The information provided in the comparable data survey [attached at Appendix 1] has been gathered from the Statement of Accounts 2019/20 from the Council's listed. In summary, the position is that the Chief Executive's remuneration is currently £125,393. The median across all authorities is £125,761 and the mean average is £126,755 (£127,696 including allowances).

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 national pay award for Local Government employees for the financial year 2020/21 was 2.75%.

The Joint Negotiating Committee for Chief Executives of Local Authorities also reached agreement to award an annual increase of 2.75% for the financial year 2020/21.

Chief Executive’s Appraisal

This took place on 2 November 2020 and the Leader of the Council wrote to the Chief Executive following the appraisal. This letter will be shared at the meeting 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 2019/20 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:

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 2 November 2020 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 – to be shared at the meeting
- The Chief Executive's Performance Targets for 2019/20 provided by the Appraisal Panel – attached to this report as part of Confidential pack

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.

Region	Organisation Type	Organisation Name
South East	District/Borough Council	Epsom & Ewell Borough Council
South East	District/Borough Council	Tunbridge Wells Borough Council
South East	District/Borough Council	Eastleigh Borough Council
South East	District/Borough Council	New Forest District Council
South East	District/Borough Council	Winchester City Council
South East	District/Borough Council	Chichester District Council
South East	District/Borough Council	Arun District Council
South East	District/Borough Council	Wealden District Council
South East	District/Borough Council	Horsham
South East	District/Borough Council	Ashford Borough Council
South East	District/Borough Council	Waverley Borough Council
South East	District/Borough Council	Spelthorne Borough Council
South East	District/Borough Council	Woking Borough Council
South East	District/Borough Council	Rushmoor Borough Council
South East	District/Borough Council	Mid-Sussex District Council
South East	District/Borough Council	Basingstoke & Deane Borough Council
South East	District/Borough Council	Maidstone Borough Council

Population	Tier	Salary	Allowances	Total Pay
75,001 - 100,000	1	100000	12000	112000
100,001 - 125,000	1	112316		112316
100,001 - 125,000	1	115000		115000
175,001 - 200,000	1	118123		118123
100,001 - 125,000	1	120000	1000	121000
100,001 - 125,000	1	122518		122518
125,001 - 150,000	1	125393		125393
125,001 - 150,000	1	125761		125761
125,001 - 150,000	1	126801		126801
100,001 - 125,000	1	127000		127000
100,001 - 125,000	1	129389		129389
75,001 - 100,000	1	129638		129638
75,001 - 100,000	1	131783		131783
75,001 - 100,000	1	135375		135375
125,001 - 150,000	1	138706		138706
150,001 - 175,000	1	149028		149028
150,001 - 175,000	1	148000	3000	151000
	Median	125761		125761
	Mean	126755		127696

By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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