



Public Document Pack

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5 December 2019

CHIEF EXECUTIVE'S REMUNERATION COMMITTEE

A meeting of the Remuneration Committee will be held in the Pink Room at the Arun Civic Centre, Maltravers Road, Littlehampton on Wednesday 18 December 2019 **at 5.00 pm** and you are requested to attend.

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

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 11 December 2018, 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 - 2019/20

(Pages 3 - 10)

This report summarises the information which Members of the Committee need to consider so that recommendations can be made on the remuneration of the Chief Executive for 2019/20.

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 all Members of the Committee only.

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.

CHIEF EXECUTIVE REMUNERATION COMMITTEE

11 December 2018 at 6.00pm

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

302. DECLARATIONS OF INTEREST

There were no Declarations of Interest made.

303. MINUTES

The Minutes of the meeting held on 5 December 2017 were approved as a correct record and signed by the Chairman.

304. CHIEF EXECUTIVE'S REMUNERATION FOR 2018/2019

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 2018-19 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 19 November 2018, the Leader of the Council had written to the Chief Executive confirming that the Appraisal Panel had unanimously agreed that his performance over the last year had achieved a final appraisal score of 3.66 out of 4. This letter along with the performance bands agreed by the Appraisal Panel and the Chief Executives targets set for 2017/18 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.

Chief Executive's (CEO)
Remuneration Committee – 11.12.18

The Committee then asked questions about the likely pay award that staff would receive in 2019 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.

Following some further discussion, Councillor Chapman stated that based on past deliberations; policies adopted; and the outcome of the appraisal he could see that the Chief Executive's had achieved good performance for 2017/18 resulting in him being awarded a scoring of 3 out of 4 which – this equated to a 2.5% pay award. Councillor Chapman therefore proposed that this be the level of remuneration set and put forward to Full Council for approval and this was seconded by Councillor Hitchins.

The Committee unanimously agreed that the performance related pay should be 2.5% and that in line with what had been resolved at Full Council on 10 January 2018, this be paid from 3 October 2018.

The Committee then

RECOMMEND TO FULL COUNCIL

Following the Chief Executive's Appraisal held on 19 November 2018, the level of performance related pay for 2018/19 be 2.5%. with this being paid from 3 October 2018.

305. COMPLIMENTS OF THE SEASON

The Chairman took this opportunity to wish the Committee; staff; and members of the public present a very Happy Christmas and New Year.

(The meeting concluded at 6.18 pm)

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF THE CHIEF EXECUTIVE'S REMUNERATION COMMITTEE ON 18 DECEMBER 2019

SUBJECT: Chief Executive Remuneration – 2019-20

REPORT AUTHOR: Alan Peach – Group Head for Corporate Support
DATE: 5 December 2019
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 2019-20 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 2019, to Full Council on 15 January 2020.

1. BACKGROUND:

This paper covers the information and background which Members need to consider in confirming the Chief Executive's pay award for 2019-20. 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 £122,934 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 2019-20 – 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.
- b) The award of PRP is to be determined by the outcome of the Chief Executive's annual appraisal which took place on 18 November 2019. 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.

Comparator Salaries

The Remuneration Panel 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. In summary, the position is that the Chief Executive's remuneration is currently £122,934. The median across all authorities is £121,649 and the mean average is £124,400 (these figures are based on the maximum of the salary range for each Council).

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 pay deal covered two years from 1 April 2018 to 31 March 2020 and broadly speaking resulted in a 2% pay increase for most staff. National pay negotiations have started for the period 2020-2021, however, at this time negotiations are ongoing, and the outcome will not be known by the time the Chief Executive Remuneration Panel meet.

Chief Executive's Appraisal

This took place on 18 November 2019 and the Leader of the Council wrote to the Chief Executive following the appraisal. This letter will be circulated as an exempt background paper at the meeting 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 2018/19 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 18 November 2019 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 2018/2019 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.

Region	Organisation Type	Organisation Name	Population	Tier	Min Salary	Max Salary	Essential Car Allowance	Lease Car allowance	Statutory Fees	Healthcare	PRP	OtherPay	Total Pay
South East	District/Borough Council	Eastleigh Borough Council	100,001 - 125,000	1	102908	112865	0	0	0	0	0	0	112865
South East	District/Borough Council	Rushmoor Borough Council	75,001 - 100,000	1	105819	116715	0	0	0	0	0	4200	120915
South East	District/Borough Council	Horsham	125,001 - 150,000	1	117045	117045	850	0	0	0	0	0	117,895
South East	District/Borough Council	Ashford Borough Council	100,001 - 125,000	1	105456	117147	4280	0	0	0	0	0	121427
South East	District/Borough Council	New Forest District Council	175,001 - 200,000	1	111142	118123	0	0	0	0	0	0	118123
South East	District/Borough Council	Epsom & Ewell Borough Council	75,001 - 100,000	1	100928	118353	7593	0	0	0	0	4211	130157
South East	District/Borough Council	Chichester District Council	100,001 - 125,000	1	121649	121649	0	0	0	0	0	0	121649
South East	District/Borough Council	Spelthorne Borough Council	75,001 - 100,000	1	108971	122861	0	6300	0	0	0	0	129161
South East	District/Borough Council	Arun District Council	125,001 - 150,000	1	122934	122934	0	0	0	0	0	0	122934
South East	District/Borough Council	Winchester City Council	100,001 - 125,000	1	116280	123420	1239	0	0	52	0	0	124711
South East	District/Borough Council	Waverley Borough Council	100,001 - 125,000	1	124000	124000	0	0	0	0	0	0	124000
South East	District/Borough Council	Tunbridge Wells Borough Council	100,001 - 125,000	1	114000	126000	0	0	0	0	2757	0	128757
South East	District/Borough Council	Wealden District Council	125,001 - 150,000	1	115155	127947	4450	0	0	0	1862	0	134259
South East	District/Borough Council	Maidstone Borough Council	150,001 - 175,000	1	109407	129947	0	2733	0	0	0	0	132680
South East	District/Borough Council	Woking Borough Council	75,001 - 100,000	1	116309	135519	0	2400	0	0	0	5328	143247
South East	District/Borough Council	Mid-Sussex District Council	125,001 - 150,000	1	138706	138706		0	0	0	0	0	138706
South East	District/Borough Council	Basingstoke & Deane Borough Council	150,001 - 175,000	1	128060	141576	0	4620	0	62	0	0	146258
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