

# 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)   |            |           |
| <b>5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES:<br/>(Explain in more detail at 6 below)</b> | <b>YES</b> | <b>NO</b> |
| 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.