

ARUN DISTRICT COUNCIL

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

SUBJECT: Chief Executive Remuneration – 2020-21

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DATE: 19 November 2020
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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.