

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF A SPECIAL MEETING OF THE CHIEF EXECUTIVE'S REMUNERATION COMMITTEE ON 11 OCTOBER 2021

SUBJECT: Remuneration for the Vacant Chief Executive Post

REPORT AUTHOR: Interim Group Head for Corporate Support
DATE: 1 October 2021
EXTN: 01903 737568
PORTFOLIO AREA: Corporate Support

EXECUTIVE SUMMARY: This report summarises the information that Members of the Chief Executive Remuneration Committee will need to consider when making recommendations to Full Council on the remuneration to be paid for the permanent Chief Executive Officer post.

The report also provides notification of the details of the remuneration and appointment of the Interim Chief Executive Officer position. A separate confidential report will be submitted to the Special Council meeting which will name the appointment of the Interim Chief Executive Officer.

RECOMMENDATIONS: The Chief Executive Remuneration Committee is requested to consider the information provided in this report, and from the Chief Executive Recruitment and Selection panel, to make recommendations to Full Council on 13 October 2021, on the remuneration of both the interim and permanent Chief Executive Officer post.

Although it is within the scope of the Remuneration Committee to consider the remuneration of an interim Chief Executive, the salary paid will be dictated by the agency used to source applicants.

1. BACKGROUND:

On 15 September 2021, Full Council agreed the membership of the Chief Executive Recruitment and Selection Panel. The panel subsequently met on 16 September 2021 to discuss and agree interim arrangements as a permanent replacement is unlikely to be in place until early 2022. At this meeting, it was agreed to use specialist executive recruitment agencies to source suitable external candidates. Interviews took place on 29 September and a report recommending an appointment will be considered by Full Council on 13 October 2021.

An all-inclusive daily rate of £1300 per day has been negotiated with the Panel's preferred candidate for a period of six months. Including the agency cost, this equates to £1,543 per day.

At a meeting of the Recruitment and Selection Panel also on 29 September 2021, Members were asked to form a view on the remuneration of a permanent Chief Executive Officer for the Remuneration Committee to consider. The Recruitment and Selection Panel has suggested a remuneration package made up of the following: -

- A salary of up to £125,000 per annum in line with the current Chief Executive's pay.
- This should be an all-inclusive salary with no additional allowances such as car allowance etc.
- Expenses can be claimed in line with Council Policy
- A one-off relocation allowance of up to £8000

Detailed below is further information that the Remuneration Committee may find useful when making its recommendations to Full Council.

- The remuneration paid to the current Chief Executive
- Salary comparisons provided by the Human Resources department.
- An update on national pay negotiations

The remuneration paid to the current Chief Executive

The Chief Executive's salary is currently £126,647 per annum. This is an all-inclusive salary although the post holder can claim expenses including mileage.

Returning Officer fees are treated separately to the annual remuneration and are not considered by the Remuneration Committee.

The current Chief Executive is contractually entitled to have his remuneration considered by the Committee on an annual basis following his appraisal. The annual award given is based on a number of factors including a percentage increase based on performance. As the incoming Chief Executive would be employed on a new contract, the Remuneration Committee may wish to consider whether they want to make recommendations to Full Council to return to the national pay award and remove the provision for a Remuneration Committee, which will require a constitutional change before implementation.

Salary Comparison provided by the Human Resources Department.

Included in the appendices is a list of Chief Executive salaries for Local Authorities within the South East who are comparable to Arun DC. This data has been gathered from the published statement of accounts available on the Council's websites. The data demonstrates that Arun is currently paying mid-range.

Update on National Pay Negotiations

The current Chief Executive's salary is not directly linked to the national pay award, but this is considered as part of the context within any recommendations that are made. The proposed national pay award for Local Government Chief Executives for the financial year 2021/22 is 1.50%. This offer is currently out to ballot to union members. We await the outcome of whether this offer is accepted.

2. PROPOSALS:

That within its recommendations to Full Council the Remuneration Committee considers: -

- The annual salary to be paid for the permanent CEO post as set out in the body of the report.
- Whether this should be an all-inclusive salary or whether any additional allowances should be paid
- Whether the annual pay award should be considered by the Remuneration Committee as currently in place or revert to the national pay award
- That the Remuneration Committee endorses the Recruitment and Selection Panel's recommendation to Full Council that an interim is employed on £1300 per day for a period of six months.

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 Constitution states that the Remuneration Committee are to consider the remuneration to be paid for the post of Chief Executive and make recommendations to Full Council.

The Council is unable to move forward with its recruitment campaign until the remuneration for the post has been approved at Full Council.

Any changes to the current salary will require further consultation with the Finance Department.

7. REASON FOR THE DECISION:

Under the Constitution, it is a requirement of the Remuneration Committee to consider the remuneration to be paid for the post of Chief Executive and make recommendations to Full Council.

8. BACKGROUND PAPERS:

- Salary comparisons provided by the Human Resources department – Attached as an Appendix to this report
- Minutes from the Chief Executive Recruitment & Selection Panel meetings held on 16 and 29 September 2021

[16 September 2021](#)

[29 September 2021](#)