

<b>REPORT TO:</b>	<b>COUNCIL</b> <b>18 July 2016</b>
<b>AGENDA ITEM:</b>	<b>5</b>
<b>SUBJECT:</b>	<b>APPOINTMENT TO CHIEF EXECUTIVE AND HEAD OF PAID SERVICE</b> <b>AMENDMENT OF PAY POLICY STATEMENT 2016-2017</b>
<b>LEAD OFFICER:</b>	<b>Director of Human Resources, Heather Daley</b>
<b>FROM:</b>	<b>THE APPOINTMENTS COMMITTEE</b>
<b>CABINET MEMBER:</b>	<b>Councillor Tony Newman, Leader of the Council</b>
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b> Effective corporate governance; delivery of the Council's Community Strategy and Corporate Plan and; the Council's executive leadership team	
<b>FINANCIAL SUMMARY:</b> The costs associated with these proposals are contained within the 2016/2017 budget.	
<b>KEY DECISION REFERENCE NO:</b> This is a decision for Full Council	

<b>1. RECOMMENDATIONS</b>
1.1 That the Council consider the recommendation of the Appointments Committee of 30 June 2016 and designate Ms Jo Negrini as the Council's Chief Executive and Head of Paid Service pursuant to the provisions of Section 4 of the Local Government and Housing Act 1989 and associated legislation, and any other statutory roles associated with that position.
1.2 Having regard to the statutory guidance issued pursuant to the Localism Act as detailed in paragraph 3.2 and having considered the proposals within this report that the Council approves the amendment to its Pay Policy Statement 2016 – 2017 as outlined in paragraph 3.6

<b>2. EXECUTIVE SUMMARY</b>
2.1 This report sets out the recommendation for the permanent appointment of a Chief Executive and Head of Paid Service (the Chief Executive post) for the Council on a full time basis following an external search and select process and intervening interim arrangements for this post. It is considered to be in the Council's best interests that a permanent Chief Executive is appointed and that interim arrangements cease.

### 3. DETAIL

- 3.1 In accordance with the scheme of delegation; and the Council's constitution appointment of the Chief Executive and Head of Paid Service:-
- Must follow confirmation to the Director of Human Resources that there are no objections from Cabinet Members to the proposed offer of appointment – this confirmation has been received following the Appointments Committee on 30 June 2016, and
  - Is subject to Full Council approval.
- 3.2 In accordance with the Localism Act 2011 appointment to the Chief Executive and Head of Paid Service needs to be in accordance with the threshold specified in statutory guidance issued by the Secretary of State under section 40 of the Localism Act 2011. The statutory guidance is that elected Members should be given an opportunity to vote before a salary package upon appointment above a specified threshold is offered. For this purpose, the specified threshold is currently £99,999 as set out by Government.
- 3.3 Appointment to the Chief Executive and Head of Paid Service must also be in accordance with the Council's Pay Policy. Provisions within the Council's pay policy must ensure that salaries applied are sufficiently competitive to recruit and retain a suitably qualified and capable individual within the prevailing market at the time of appointment. The Council has a responsibility to adhere to the provisions of the pay policy and any amendment to the pay policy has to be agreed by a meeting of the Council.
- 3.4 The current fixed pay point within the Pay Policy Statement 2016-2017 for the post is £180,000 per annum and was to be the subject of review in July 2016.
- 3.5 Benchmarking against comparable Chief Executive and Head of Paid Service roles in London and south-east England and salary data from London Council's pay survey 2015 indicate that £185,000 per annum is appropriate to attract and retain the caliber of candidate for this role within the context of the borough's opportunities and challenges.
- 3.6 It is necessary to amend the Council's Pay Policy Statement so that the fixed pay point for the post is £185,000 per annum. This will be subject to review from July 2018; and remains within the multiple of a 1:11 ratio between the lowest paid employee and the Chief Executive and Head of Paid Service which is also specified within the Council's Pay Policy Statement.

### 4. FINANCIAL AND RISK CONSIDERATIONS

#### 4.1 Revenue and Capital consequences of report recommendations

Current year	Future years			
	2016/17	2017/18	2018/19	2019/20
£'000	£'000	£'000	£'000	£'000

**Revenue Budget available**

- current post holder	180			
- future budget		185	185	185
<b>Effect of decision from report</b>				
Salary costs - for a full year	185	185	185	185
<b>Overspend / (underspend) – for a full year appointment</b>	5	0	0	0

**4.2 The effect of the decision**

The decision to increase the funding for this post by £5k per annum can be met from the agreed 2016/17 budget. A post was deleted at Director level as part of the Voluntary Severance scheme that was not factored into the 2016/17 budget and therefore provides the flexibility for the pay increase for this role if required.

**4.3 Risks**

There is a risk of being unable to recruit the right calibre of person to the role if the salary is not comparable to the market

**4.4 Options**

The alternative option of not putting in place permanent arrangements; and for not making provision to within the parameters of the Council's agreed Pay Policy Statement 2016-2017 is not considered sustainable.

**4.5 Future savings/efficiencies**

None identified

Approved by: Richard Simpson – Assistant Chief Executive (Corporate Resources) and Section 151 Officer

**5 COMMENTS OF THE COUNCIL'S ACTING SOLICITOR AND ACTING MONITORING OFFICER**

5.1 The Solicitor to the Council comments that the Council may appoint such staff as it considers necessary for the proper discharge of its functions on such reasonable terms and conditions, including remuneration, as the Council thinks fit.

5.2 The Council's Staff Employment Procedure Rules at Part 4.J of the Constitution provide that Full Council must approve the appointment Head of Paid Service before an offer of appointment is made to him/her.

5.3 Section 38 of the Localism Act 2011 states that the Council must set out set out the authority's policy for the financial year relating to amongst other things, remuneration for Chief Officers the remuneration of its lowest-paid employees, and remuneration of its employees who are not chief officers. This statement must include the authority's policy relating to:

- the level and elements of remuneration for each chief officer,
- remuneration of chief officers on appointment
- increases and additions to remuneration for each chief officer

Approved by J Harris Baker on behalf of the Acting Council Solicitor and Acting Monitoring Officer.

## **6 CUSTOMER, EQUALITIES, HUMAN RIGHTS, FREEDOM OF INFORMATION, DATA PROTECTION CRIME AND DISORDER IMPACT**

6.1 There are no direct considerations arising from this report.

**CONTACT OFFICER:** Heather Daley, Director of Human Resources

**BACKGROUND DOCUMENTS:** None