

**SALARY REVIEW APRIL 2020: CHIEF EXECUTIVE**

Report of the Assistant Director, Human Resources

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**1. Purpose of report**

- 1.1 The salary of the Chief Executive is locally determined. The effective date for the review of his salary is 1 April each year. This report makes proposals to the Employment Committee regarding the pay and performance payment for the Chief Executive for 2020/21.

**2. Summary**

- 2.1 The Council's scheme of delegation provides that the Employment Committee:

- Determines the pay award for the Chief Executive.

- 2.2 This report sets out factors for the Employment Committee to consider in relation to the pay of the Chief Executive from 1 April 2020.

**3. Recommendation**

- 3.1 That, subject to the Committee agreeing the recommendations in paragraph 3.1 of the report to this meeting of the Employment Committee entitled 'Salary Review April 2020: Chief Officers, Deputy and Assistant Directors and Heads of Service', the Chief Executive be awarded:

- (i) a consolidated cost of living increase of 2% to his salary if he achieves an overall rating of Fully Achieved or Exceed in his annual performance review, with effect from 1 April 2020. This increase **may** be subject to review upon settlement of the NJC for Local Government Workers pay award for April 2020 once it is agreed.
- (ii) a non-consolidated performance related payment of £3250 if he achieves an Exceed rating in 2019/20.

## 4. Context

- 4.1 The recommendations in this report reflect the decisions made by Employment Committee on 3 March 2014 in respect of the management of annual senior manager pay reviews (including that of the Chief Executive). This was to annually pay a consolidated cost of living increase (where applicable) to those senior managers who receive an annual performance rating of 'Fully Achieved' or 'Exceed', the value agreed to be based on an assessment of a number of factors (e.g. market / affordability). In addition, to award a non-consolidated lump sum payment for those Senior Managers who achieve a performance rating of 'Exceed'. The Employment Committee is, therefore, required to agree the value of a cost of living award and also the value of the Exceed payment annually.

## 5. Looking Back

- 5.1 The current Chief Executive was new in post on 1<sup>st</sup> January 2019 and therefore was not awarded a cost of living award in April 2019.

## 6. Benchmarking

- 6.1 Benchmarking conducted across Hertfordshire's 5 neighbouring councils (Bedfordshire, Buckinghamshire, Essex, Kent and Cambridge) from statements of accounts published in April 2018/19 shows that the **grossed median annual basic pay for Chief Executive posts was £190,420**.
- 6.2 The Chief Executive's current salary falls slightly below this figure. However, these figures are skewed by one particularly high salary and furthermore as the Chief Executive is fairly new in post with no previous experience as a Chief Executive a lower salary is to be expected.

## 7. Options for a Cost of Living & Exceed Payment – 2019/20

- 7.1 Options of a cost of living award of either 0% (at nil cost) / 1% (at a cost of £1800) / 2% (at a cost of £3600) or 3% (at a cost of £5400) have been considered. A 2% award is recommended reflecting the recommendation for all other senior managers. This is recommended as this is anticipated to be in line with the NJC for Local Government Workers pay award for April 2020, although this has not as yet been settled. This also aligns to median basic pay expectations. Although the pay review for the Chief Executive / senior managers is not dependant on the NJC settlement, the recommendation is considered to be fair and equitable to ensure reasonable parity. It is also recommended that the 2% be subject to further review should the NJC settlement significantly vary. This does not mean or guarantee that the value of the award will change, but that it allows for any consideration of this should it be felt appropriate.

- 7.2 The Chief Executive will be eligible for a performance payment at the end of the 2019/20 performance year if he achieves an Exceed rating. The recommended options for exceed payments are either a one off non consolidated payment of £2k, £3k, £3250 or £4k. The recommended value for an Exceed payment is £3,250, reflecting the recommendation for all other senior managers. This reflects the value paid over the last 5 years but with a cost of living increase applied.

## **8. Equality Implications**

- 8.1 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the Equality implications of the decision that they are making. Rigorous consideration will ensure proper appreciation of any potential impact of that decision on the County Council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EQiA) produced by officers.
- 8.2 The Equality Act 2010 requires the County Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.
- 8.3 There are no equalities implications in relation to the decision recommended in this report.

## **9. Financial Implications**

- 9.1 The recommendation covered in the report is able to be met within existing budgets.