



## **REPORT of DIRECTOR OF RESOURCES**

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**to  
ANNUAL COUNCIL  
10 MAY 2018**

### **CHIEF EXECUTIVE'S PAY AGREEMENT 2018 - 20**

#### **1. PURPOSE OF THE REPORT**

- 1.1 At the meeting of the Finance and Corporate Services Committee on 30 January 2018, a recommendation was approved (Minute No. 781 refers) that a pay award for Council staff and Directors for 2018 / 19 and 2019 / 20 be awarded in line with any National Joint Council (NJC) approved pay offer. Any pay award pertaining to the Chief Executive is outside of this agreement and is governed by the Joint Negotiating Committee for Chief Executives of Local Authorities (JNC).
- 1.2 The JNC pay claim 2018 / 19 for Chief Executives has been submitted and has requested that the salaries of Chief Executives be increased by 2% per annum over the next two years. The National Employers for local government services (Employers) offer has also been put forward for Chief Executives at a lower amount of a 1% increase to salary to be paid in 2018 / 19 only and no further increase agreed for 2019 / 20. Subject to final agreement being reached by the JNC and Employers, this report seeks approval for the Chief Executive salary to be revised in line with that agreement.
- 1.3 The NJC pay award of officers was confirmed on 10 April 2018 and a 2% increase has been agreed by both parties. In line with paragraph 1.1 above this increase will now be applied to all officer salaries with the exception of the Chief Executive.

#### **2. RECOMMENDATION**

That the Chief Executive's pay (SCP 57 – 60) be revised following confirmation of final agreement between the Joint Negotiating Committee for Chief Executives of Local Authorities and the Employers, up to a maximum of 2% increase for 2018 / 19 and 2019 / 20, with effect from 1 April 2018.

#### **3. SUMMARY OF KEY ISSUES**

##### **3.1 Background**

- 3.1.1 In November 2010, the Council resolved to adopt the national pay award for staff from 2011 / 12 onwards (Minute Nos. 401 and 476 refer).

- 3.1.2 As the appointment of the Chief Executive is a Member decision, precedent is that the pay band in relation to the Chief Executive requires specific approval from the Council.
- 3.1.3 The Chief Executive has terms and conditions of employment that are separate from the NJC, and so the NJC national pay award would not automatically apply. There is a separate national pay bargaining arrangement for Chief Executives, conducted by their representative body, the Association of Local Authority Chief Executives (ALACE).
- 3.1.4 The JNC agreed on 21 December 2017 that a pay award claim in line with officer's increases would be submitted for Chief Executive salaries. This covers the period from 1 April 2018 – 31 March 2020. The table below in paragraph 4.2 shows the amended pay band for the Chief Executive grade based on this claim. It should be noted that a 2% increase is included in the 2018 - 20 base budgets.
- 3.1.5 On 10 April 2018, the Employers made an offer for Chief Executives of 1% from 1 April 2018, and is a one year offer. The table below in 4.3 shows the amended pay band for the Chief Executive grade based on this offer.
- 3.1.6 There will now be a period of negotiation before a final settlement is agreed between the Employer and JNC.

#### **4. CONCLUSION**

- 4.1 There is currently a claim from the JNC and an offer from the Employers for a pay award for Chief Executives, both are detailed below with their impact. As these are not in agreement, these will now be negotiated before a final pay award settlement is made.
- 4.2 The JNC has submitted a pay claim that an increase in line with officers should be applied to Chief Executive Salaries. The 2% being proposed would have the following impact on the Chief Executive Salary Band, the current Chief Executive is on point 60.

	<b>SCP</b>	<b>01-Apr-17</b>	<b>01-Apr-18</b>	<b>01-Apr-19</b>
Chief Executive	57	£97,192	£99,136	£101,119
	58	£100,176	£102,180	£104,223
	59	£103,158	£105,221	£107,326
	60	£106,142	£108,265	£110,430

- 4.3 The Employers have made an offer for Chief Executives of 1% from 1 April 2018. This would have the following impact on the Chief Executive Salary Band.

	SCP	01-Apr-17	01-Apr-18
Chief Executive	57	£97,192	£98,164
	58	£100,176	£101,178
	59	£103,158	£104,190
	60	£106,142	£107,203

## 5. IMPACT ON CORPORATE GOALS

- 5.1 This report relates to the pay for the Chief Executive, who has overall responsibilities to ensure that the corporate goals are delivered.

## 6. IMPLICATIONS

- (i) **Impact on Customers** – None.
- (ii) **Impact on Equalities** – Ensuring the JNC agreement is applied to the Chief Executives salary will provide equity in terms of the national pay agreement for Chief Executives.
- (iii) **Impact on Risk** – Following any JNC agreement, should the Council not implement the agreed change it could be at risk to Legal Challenge
- (iv) **Impact on Resources (financial)** – The revised pay line for the Chief Executive has no additional impact on the 2018 / 19 agreed budget if it is equal or less than a 2% increase. Compared to prior year, the increase is £2,123 for 2018 / 19 and £2,165 for 2019 / 20. If the 1% increase is approved, the increase would be £1,061.
- (v) **Impact on Resources (human)** – To ensure that the agreed negotiated pay award in relation to Chief Officers pay is applied.
- (vi) **Impact on the Environment** – None.

Background Papers: None.

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