

Appendices: 1



NORTHAMPTON
BOROUGH COUNCIL

COUNCIL

12th December 2016

Agenda Status: Public

Directorate: Chief Executive

Report Title	Remuneration of the post of Director of Regeneration, Enterprise and Planning
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1. Purpose

- 1.1 In relation to the post of Director of Regeneration, Enterprise and Planning, to agree to payment of a salary package in excess of £100,000; and to authorise the payment of a consolidated market-related supplement.

2. Recommendations

That Council:

- 2.1 approves a pay package for the post of Director of Regeneration, Enterprise and Planning at a fixed point of £124,000 per annum, (which includes a consolidated market supplement of £14,897 per annum);
- 2.2 recognising that the Council's current Pay Policy states that it is not the Council's normal policy to pay market supplements to Chief Officers, specifically approves the payment of a consolidated market supplement of £14,897 per annum to the Director of Regeneration, Enterprise and Planning on this occasion for the reasons explained in this report.

3. Issues and Choices

3.1 Report Background

- 3.1.1 On the 7th March 2016, the Council approved its Pay Policy for 2016/17. This Policy is reviewed annually as required by statute.
- 3.1.2 The Pay Policy Statement includes that the Appointments and Appeals Committee has the delegated authority from Council to make appointments of Chief Officers other than the Chief Executive (which is reserved to Full

Council) and to approve remuneration of Directors within the Council's approved pay grades for such posts.

- 3.1.3 Notwithstanding the above, any remuneration packages not already approved by the Full Council under its policy requires further Full Council approval if over £100,000 per annum in total.
- 3.1.4 The Appointments and Appeals Committee have been seeking to appoint a Director of Regeneration Enterprise and Planning. A full process was carried out earlier this year and despite a comprehensive search it was not possible to attract a candidate suitable to lead this Directorate.
- 3.1.5 After a review of the position, including taking advice on the salaries being offered for similar posts elsewhere, the Appointments and Appeals Committee decided to carry out a further recruitment exercise to see if a suitable candidate could be identified if the Council were willing to consider a market supplement expected to involve a salary of around £120,000 with more being possible for an exceptional candidate. Appendix One shows the information gathered at the time the Committee made that decision
- 3.1.6 This recruitment process produced a much stronger long list and short list for the position of Director and on the 25th November 2016 the Committee met to interview final candidates. A preferred candidate has been identified, the post offered subject to Council agreeing remuneration, and to references, medical and contract. The candidate has accepted the position verbally subject to these matters also.
- 3.1.7 The candidate is currently employed at a salary of £130,000 and has been in receipt of a bonus payment from his current employer. The bonus is discretionary but has been paid on an annual basis and, whilst it is variable, it can be a significant five figure sum.
- 3.1.8 The candidate has been offered (subject to Council's approval of the recommendations in this Report) appointment on a fixed point salary of £124,000 and has indicated acceptance of that level of remuneration. The Committee is happy to recommend that to Council.
- 3.1.9 The current consolidated salary range for Directors is £95,994 to £109,103. This proposed appointment therefore would include a market supplement of £14,897 against the present top point of the consolidated part of the Director scale.
- 3.1.10 The Pay Policy Statement makes it clear that it is not the Council's normal practice to pay market supplements to Chief Officers, and therefore any proposal to include a market supplement in a Director's remuneration package needs to be agreed by Council as does any new remuneration package of over £100,000.
- 3.1.11 The Committee met on 30th November 2016 and agreed to recommend remuneration of £124,000, as a fixed point without any further scale or grade progression for an appointment to the post of Director of Regeneration Enterprise and Planning having tested the market thoroughly.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The proposal is to make a remuneration decision that is outside of the Council's ordinary pay policy to include a consolidated market supplement in the remuneration for a Chief Officer post. This is necessary in order to be able to offer a salary in the market sufficient to attract a suitable candidate for this position.

4.2 Resources and Risk

- 4.2.1 The additional cost of the market supplement will be met within the overall budget for the Directorate in 2017/18 and future years. The gross cost will be approximately £18,600 at on-costs rates.

4.3 Legal

- 4.3.1 The legal implications are set out in the Report.

4.4 Equality

- 4.4.1 The Equality Act 2010 implements the legal principle of gender pay equality. The use of a market related pay element does carry some risk as it enhances an individual's role, in pay terms when compared to other roles. However the legislation does allow pay disparity so long as this does not arise because of gender differences outlined in the material factor defence.
- 4.4.2 In this particular case it has not been possible to appoint a candidate at the current grade for the post as evidenced by the Council's attempts to recruit to this post because of competitive market factors. The Council believes that there is sufficient evidence to justify this market salary.

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Appendix One: Assessment of salaries offered for similar/like roles

LGSS were tasked to undertake a remuneration comparison exercise for similar roles in other areas of the UK. This exercise highlighted the fact that remuneration for similar roles exceeded the salary on offer for the role at NBC. Examples are listed below

- *Metropolitan Borough Development Company – Delivery Director £140k (package – basic salary £125k)*
- *London Borough – Director, Regeneration of key urban area - £124k*
- *Metropolitan Borough Council – Executive Director of Place - £117-122k*
- *Metropolitan Borough Council – Director of Place and Regeneration £119-121k*
- *Unitary Council (of a town area) – Director of Environment and Regeneration £127k*

LGSS have also benchmarked the NBC role with similar roles in other local authorities by using the Hay networking group, this has shown further evidence that the role requires a higher salary to compete in the market, as follows:

- *Unitary Council – Executive Director – Economy, Environment and Culture - £116k*
- *City Council – Strategic Director – City Development and Neighbourhoods - £120k*
- *Metropolitan Borough Council – Strategic Director Regeneration & Environment - £113k*
- *City Council – Corporate Director Place - £123k*