

SENIOR LEADERSHIP PAY PROPOSAL FOR A REMUNERATION COMMITTEE

Scope

To determine the pay and reward for the Council's Senior Leadership Team which consists of the Chief Executive, Directors and Heads of Service.

Terms of Reference

The scope of the committee is to:

- Make recommendations on senior pay and reward issues to Council
- Make recommendations on the management of and structure of senior pay and reward, and grounds for pay progression.
- Determine the level of pay and any award of Performance Related Pay for the Chief Executive.

The terms of reference will be reviewed on an annual basis to ensure effective working and to clarify the scope role, composition, and process within which the Committee will operate. The Terms of Reference will be subject to approval by Council.

General Principles

- No permanent change to pay and reward of the Senior Leadership Team can be actioned until it is ratified by Full Council
- The basic pay of the Senior Leadership Team (excluding the Chief Executive) will be determined using the Hay Evaluation Scheme and undertaken by an external expert
- The Chief Executives appraisal will be facilitated by an external expert.

Role

The Remuneration committee will make recommendations to Council on the permanent pay and reward of senior managers. It will:

- a) Contribute to the Council's positive reputation with regard to having appropriate and effective corporate governance arrangements for senior pay by operating an independent, transparent and informed approach to managing senior pay through the Remuneration Committee.
- b) Develop broad policy decisions for senior pay, having regard to the Council's Pay and Reward Policy
- c) Propose levels of remuneration considered to be sufficient to attract, retain and motivate senior managers of the quality required to run the organisation successfully
- d) Consider the affordability of its proposals
- e) Be sensitive to the context of senior pay, including pay and employment conditions elsewhere in the organisation
- f) Ensure the relationship between reward for senior management tiers and for employees below this level remain reasonable

- g) Ensure individuals are fairly and responsibly rewarded for their individual contribution
- h) Understand what other relevant organisations are paying for similar roles as well as their general approach to reward, and consider whether Denbighshire County Council should position itself in relation to 'the market' – for example, whether the Council's approach may be to pay at around the lower quartile, median or upper quartile of the market, etc.
- i) Ensure that proper and professional advice is obtained to assist in its deliberations.

The Panel's recommendations will be based on job evaluation results, data, advice, evidence, and views collected from a number of possible sources – for example:

- External pay data, advice, and facilitation (e.g. from external consultants or other sources)
- The Council's Chief Executive, key documents and reports
- Performance data where relevant.
- Chief Executive's Appraisal Panel

Membership and support

The Panel will comprise of 6 Members to give a balanced political background. One Member will act as Chair.

The membership should include the Lead Member for Finance and one member of the CEO appraisal committee.

The Head of Legal, HR and Democratic Services will provide a "secretariat" function to the Panel. He will be responsible for arranging meetings, coordinating and preparing documentation and arranging support, training, advice and information for the Panel.

The Panel may commission external independent expertise to train and support them in fulfilling their role and/or to provide external data or advice (including relevant market and regional data). The Head of Legal, HR and Democratic Services will provide details of external experts considered suitable for these purposes in terms of experience, cost and best value for the Panel to select from.

Frequency of meetings and output

The Committee will meet annually following the Chief Executive's Appraisal to determine and approve the level of Performance Related pay for the Chief Executive.

The Panel will meet at least annually to maintain an overview of the ongoing suitability of the Council's approach to senior pay. On a bi-annually basis, it will conduct a full review of senior managers pay and present a report with recommendations to Council. The Panel would not normally expect to present all of the background data and advice it had received.

The Panel may meet more frequently from time-to-time to discuss changes in relation to the approach or arrangements relating to senior pay such as linking pay progression to performance or contribution, or determining the pay level prior to undertaking a recruitment exercise. The recommendations on these issues will also be presented to Council.