



## **POLICY AND RESOURCES SCRUTINY COMMITTEE - 5TH MARCH 2013**

**SUBJECT: SENIOR OFFICER REMUNERATION – FINANCIAL IMPLICATIONS**

**REPORT BY: DEPUTY CHIEF EXECUTIVE**

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

- 1.1 To produce a report for Policy and Resources Scrutiny Committee clarifying the financial implications of the recent decision in respect of senior officer remuneration as requested by Councillor Colin Mann.

### **2. LINKS TO STRATEGY**

- 2.1 Decisions in relation to senior remuneration are linked to the People Management Strategy. The contribution of Senior Officers is integral to the overall delivery of the Council's Corporate Plan and Improvement Objectives.

### **3. THE REPORT**

- 3.1 At Special Council on the 17<sup>th</sup> January 2013 the decision taken by the Senior Remuneration Committee on the 5<sup>th</sup> September 2012 was considered.
- 3.2 Council agreed at this meeting to firstly rescind the decision made by the senior remuneration panel on the 5<sup>th</sup> September 2012, and then to accept the voluntary offer put forward by Senior Officers who were affected by the original decision.
- 3.3 The offer results in one off savings over a 3 year period of £337k. These savings have been included in the budget report for 2013/14 as a revenue contribution to capital over the period 2013/14 to 2015/16. The savings in respect of the Chief Executive's salary are recurring revenue savings of £27k per annum which amounts to £82k over the 3 years to 2015/16. This annual saving of £27k will be used towards the revenues savings target of £2.9m for 2014/15.
- 3.4 The revised cost to General Fund, when senior officers reach the top of the new grades as agreed by Council, compared to the previous salaries before the decision was taken by the Senior Remuneration Committee on the 5<sup>th</sup> September 2012, will be £357k per annum (i.e. £384k - £27k). This is marginally less than the figures reported previously as the Chief Executive's salary increase no longer requires funding. The additional cost will still be funded as outlined in previous reports, by using unapplied vacancy savings of 2 Heads of Service posts plus their secretarial support plus a further saving that will materialise when a Head of Service employed on a temporary contract is concluded at the end of June 2013. This constitutes a virement of budget, taking funds generated by the saving to increase budget heads to fund the additional cost. Hence no budgetary growth is required. Therefore there is no impact on Council Tax levels.

3.5 One off costs have been incurred as a consequence of the original decision being reconsidered. These relate primarily to the costs of the External Legal Advisors, Geldards who provided advice to Members and the Authority's External Auditors namely Wales Audit Office (WAO) and PricewaterhouseCoopers (PWC) who have been reviewing the process as a result of requests made by Electors. The costs of providing these services are estimated to be £11k in respect of Geldards and in the range of £17k to £19k in respect of WAO and PWC. These estimates are based on the current scope of their work. These costs will be funded from current budgets where there are sufficient underspends. The budgets in question are held in Miscellaneous Finance for external legal costs, the budget is £422k per annum and has an accumulated underspend of £65k. The costs for PWC can be funded from the Authority's External Audit Fee's budget, where there is currently a projected underspend of £64k. These two budget headings would typically incorporate potential additional costs for one off unexpected items, particularly the external audit fees budget as there have been a number of requests made in recent years by Electors/Councillors to look into matters which include objections to the statement of accounts. Again as in paragraph 3.4 there is no requirement for budgetary growth and hence no impact on council tax levels.

#### **4. FINANCIAL IMPLICATIONS**

4.1 These are dealt with in the main report.

#### **5. PERSONNEL IMPLICATIONS**

5.1 These have been set out in previous reports in respect of this matter including legal advice prepared by Geldards.

#### **6. EQUALITIES IMPLICATIONS**

6.1 There are no potential equalities implications of this report. There is no requirement for an Equalities Impact Assessment Questionnaire to be completed for this report.

#### **7. CONSULTATIONS**

7.1 There are no consultation responses which have not been reflected in this report.

#### **8. RECOMMENDATIONS**

8.1 Members of the Policy & Resources Scrutiny Committee note the content of the report.

#### **9. STATUTORY POWER**

9.1 Local Government Act 1972.

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