

**MINUTES OF THE REMUNERATION COMMITTEE
WEDNESDAY, 21 JUNE 2006**

Councillors *Bull, *Griffith (Chair), *C. Harris, *Hoban, *Meehan, and *Williams

*Indicates Member Present:

MINUTE NO.	SUBJECT/DECISION	ACTION BY
RECO01.	<p>APOLOGIES FOR ABSENCE</p> <p>There were no apologies for absence.</p>	
RECO02.	<p>URGENT BUSINESS</p> <p>Nil.</p>	
RECO03.	<p>DECLARATIONS OF INTEREST</p> <p>No declarations stated.</p>	
RECO04.	<p>MINUTES</p> <p>That the unrestricted Minutes of the meetings of the Remuneration Committee held on 21 June, 31 August , and 14 November 2005 be received and signed by the Chair as an accurate record of the proceedings.</p>	
RECO05.	<p>UPDATE REPORT ON THE FUNCTIONS OF THE REMUNERATION COMMITTEE (REPORT OF THE CHIEF EXECUTIVE)</p> <p>The Head of Personnel – Mr Young highlighted for the benefit of new Members of the Committee, the role and functions of the Remuneration Committee, as detailed in the circulated report. Mr Young also explained the terms of reference of the Committee as shown and gave a brief resume of the exact meaning of each.</p> <p>The Chair asked if there were any particular questions/comments. Councillor Meehan advised that in respect of the terms of the reference for the Committee the comment stated at the footnote was incorrect as to the appointment and dismissing of senior officers. This remit fell to that of the Special Committee (K2) and the actual decision of that Committee was forwarded to Full Council for approval and not General Purposes Committee as stated.</p> <p>Mr Young then briefly introduced the independent adviser to the Remuneration Committee for the previous year – Mr Penn – who was from the Local Government Employers Association and was in effect an</p>	

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	<p>external independent auditor of the Senior Officer appraisal process. Mr Penn's advising capacity was in accordance with the Terms of Reference of the Remuneration Committee and was to comment on the level of increment awarded to senior officers, including Mr Young himself. It would be wholly inappropriate for Mr Young, in his capacity as Head of Personnel and a senior officer, to advise on the level of increments to be awarded.</p> <p>Councillor Bull sought clarification as to whether it was a requirement of the Remuneration Committee to formally consider and appoint the external advisor to the Committee. In response Mr Young advised that when the Committee had been established this had been carried, and it was entirely appropriate to reconsider this.</p> <p>Mr Penn, in reiterating his ambit, felt that it would be of use to circulate the previously considered report which recommended appointment of the external advisor to the Committee. Mr Penn also advised that he was employed and nominated by the Local Government Employees Association as independent advisor to the Committee.</p> <p>The Chair then summarised and it was:</p> <p>RESOLVED</p> <ol style="list-style-type: none">i. that a report recommending the appointment of external advisers to the Remuneration Committee be brought to the next meeting of the Committee; andii. that the previously considered report which recommended appointment of the external advisor to the Committee be circulated to all Members of the Remuneration Committee.	
<p>RECO06.</p>	<p>ADVICE AND GUIDANCE FOR MEMBERS OF THE REMUNERATION COMMITTEE (VERBAL REPORT OF THE CHIEF EXECUTIVE ON THE OPERATION OF THE PERFORMANCE APPRAISAL PROCESS FOR CHIEF OFFICERS)</p> <p>The Head of Personnel advised the Committee that it would be of use to have a brief explanation of how the actual appraisal scheme was applied. Mr Young circulated copies of 5 documents that assisted officers and Members in the process of conducting appraisals and gave a brief explanation of each as follows:</p> <ul style="list-style-type: none">• The performance management scheme for Chief Officers – Mr Young outlined in particular the scope and purpose, the setting of performance objectives, competency framework and key tasks settings. Mr Young advised that the Committee would receive in tabulated form the results of all senior officer appraisals and recommended increments for each. The process was currently running approx 1 month behind schedule and in the course of the next week appraisals for	

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Directors would be carried out by the Chief Executive and appropriate Executive Member. Once this had been completed 2nd and 3rd tier managers would be appraised and it was hoped that the process would be completed and a special Remuneration Committee required for the latter end of July 2006. The information submitted to that meeting would detail the results of each appraisal and the meeting of individual performance targets. The information would be circulated to the Committee prior to the meeting itself.

- The performance management scheme for the Chief Executive - Mr Young outlined the process which mirrored that of the process for Chief Officers and he also outlined the process of the Appraisal Panel established to consider and agree objectives with the Chief Executive following a meeting having taken place with the Leader of the Council. In response to questions from Councillors Bull and Harris Mr Young advised that under the auspices of the LGA 2000 the panel would be constituted on a proportionate basis. It would be necessary to agree the Membership of the Panel at the intended special meeting of the Committee.
- The performance appraisal form – Mr Young gave a brief explanation of its contents and gave a brief explanation of Part A (Business and Corporate Targets) and Part B (Common Targets)
- The setting of performance objectives – Mr Young gave a brief explanation of the objectives as detailed.
- Rates of Pay – Mr Young gave a brief explanation of the rates of pay at senior level and how the system operated in terms of awarding of increments, and the overlapping of grades as shown. Mr Young gave a brief outline of what 'consolidated and non consolidated' increments meant and in response to questions confirmed that a consolidated allowance was a one off annual payment per year and covered overtime and other such sundry payments.

In response to questions from members Mr Young gave a brief outline for acting up arrangements and monetary payments, the process for job evaluation, which fell within the remit of this Committee to consider. Mr Young further outlined that the process for when the Committee was in closed session would be explained at that point and the detailed information for it to consider in terms of individual performance, how the scheme was applied and lessons learnt from previous processes.

Mr Young further advised of the differences between recognition of good work and reward in the appraisal process. Mr Young, in response to questions, commented that in the previous year the majority of officers received one incremental

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	<p>increase and there would be explanations as to why no increment was awarded if that were to be the case, as well as if more than one was. In response to further clarification by Members Mr Young commented that it would be necessary at some point for the Committee to have some discussions as to the option of not linking performance to pay.</p> <p>The Chair then summarised and it was:</p> <p>RESOLVED</p> <ul style="list-style-type: none"> i. that the comments expressed and discussed be noted; and ii. that a report be brought to the special meeting of the Remuneration Committee detailing the constitution and membership of the required Appraisal Panel to consider and agree objectives with the Chief Executive following a meeting having taken place with the Leader of the Council. 	
<p>RECO07.</p>	<p>NEW ITEMS OF URGENT BUSINESS : TO CONSIDER ANY ITEMS ADMITTED AT ITEM 2 ABOVE Nil Items</p>	
<p>RECO08.</p>	<p>EXCLUSION OF THE PUBLIC AND PRESS:</p> <p>RESOLVED</p> <p>That the press and public be excluded from the meeting as Item 6 contained exempt information as defined in section 100A of the Local Government Act 1972; namely exempt information relating to a particular employee.</p>	
<p>RECO09.</p>	<p>MINUTES</p> <p>Agreed the Exempt minutes of the meetings held on 21 June 2005, 31 August 2005, and 14 November 2005.</p>	
<p>RECO10.</p>	<p>NEW ITEMS OF EXEMPT URGENT BUSINESS:TO CONSIDER ANY ITEMS ADMITTED AT ITEM 2 ABOVE. Nil Items</p>	

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COUNCILLOR E GRIFFITH

Chair