

Report to: Governance Committee

Date of meeting: 28 January 2020

By: Chief Operating Officer

Title: Partnership Working with West Sussex County Council

Purpose: To seek the Governance Committee's agreement to a proposal to make a financial payment to the Chief Executive in recognition of the significant additional responsibilities arising out of being appointed as Chief Executive of West Sussex County Council

RECOMMENDATIONS

The Governance Committee is recommended to agree an additional payment to the Chief Executive of East Sussex County Council of £31,603 gross in recognition of the significant additional responsibilities that will be entailed as a result of being appointed as shared Chief Executive across both East and West Sussex County Councils.

1 Background

1.1 The Governance Committee will be aware that at its meeting on 18 December 2019, Cabinet approved the proposal for East Sussex County Council to work with West Sussex County Council as an improvement partner, including sharing the services of the Chief Executive of East Sussex County Council and other officers as required.

1.2 The purpose of this report is to set out a proposal to make a financial payment to the Chief Executive in recognition of this significant additional responsibility.

2 Supporting information

2.1 Section 4 of the Local Government and Housing Act 1989 states that all local authorities must designate one of their officers as its Head of Paid Service. At both East and West Sussex County Councils, the Chief Executive is designated to that role.

2.2 As a statutory role, the Head of Paid Service has a number of specified duties as set out in the relevant legislation. In essence, the role of Head of Paid Service is one of management of the authority's staffing resource, including the co-ordination of functions. When combined with the role of Chief Executive, the role is the key link between the Administration of a local authority and the delivery of that authority's duties and responsibilities, along with its core priorities, through its officers.

2.3 The agreed partnership arrangement between East and West Sussex County Councils provides for both Councils to remain as separate sovereign authorities. Accordingly, the shared Chief Executive will therefore undertake the statutory Head of Paid Service role across two organisations, including working with two Cabinets, two Full Councils and indeed, all other elected Members, as well as senior officers and partners across both Councils.

2.4 Given the significant additional responsibilities this will entail, it is appropriate that some form of additional remuneration is made to the Chief Executive in recognition of this. Under the agreed arrangement, East Sussex County Council will remain the employer of the Chief Executive, with a fundamental principle being that East Sussex County Council does not suffer any financial detriment. It is agreed that the cost of the Chief Executive be split equally between the two Councils. By agreeing to share the Chief Executive, ESCC will make a saving of circa £104,246 per annum ¹ on the cost of the Chief Executive's remuneration.

¹ Based on 19/20 gross salary with the additional payment of £31,603k included, plus on-costs for NI and pension contributions

2.5 It is difficult to establish a benchmark against which to assess any proposed payment as no other two County Councils have entered into an arrangement to share the services of a Chief Executive. For the purposes of assessing responsibility when compared with other Councils, the two Councils combined have a gross budget of £2.09bn and a population of 1.4M. In order to understand how this compares in the sector, benchmarking has been undertaken against other large County Councils.

2.6 The table below sets out key comparative data:

Authority	Gross budget 2018/19 £bn	Population M	Chief Exec Salary £
ESCC and WSCC combined	2.09	1.4	Proposed £230,000
Hampshire County Council	1.99	1.3	£220,518
Surrey County Council	1.67	1.1	£219,409

2.7 Whilst the table above provides an indication in terms of scale based against two indices, population and budget, it does not reflect the fact that role will be the Head of Paid Service and therefore leading the officer team to deliver the priorities of the two separate organisations rather than one big organisation and is therefore significantly more complex, with greater responsibility.

3. Conclusion and Recommendations

3.1 As can be seen from this data, the combined budget and population served of East and West Sussex County Councils are more than either Hampshire or Surrey County Councils. Alongside this, there is the additional complexity of leading the officer team of two separate, sovereign Councils as noted above. It is therefore proposed that an additional payment of £31,603 gross is made to the Chief Executive of East Sussex County Council in recognition of these significant additional responsibilities.

3.2 This additional payment will take the overall remuneration of the shared Chief Executive to £230,000 per annum gross.

3.3 The Governance Committee is therefore recommended to agree an additional payment to the Chief Executive of East Sussex County Council of £31,603 gross, in recognition of the significant additional responsibilities that will be entailed as a result of the current postholder having been appointed as shared Chief Executive across both East and West Sussex County Councils.

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