

## Remuneration Report

### Introduction

The Local Authority Accounts (Scotland) Amendment Regulations 2011 (SSI No. 2011/64) amend the Local Authority Accounts (Scotland) Regulations 1985 (SI No. 1985/267) and require Local Authorities in Scotland to prepare a Remuneration Report as part of the statutory Annual Accounts.

All information disclosed in the tables in this Remuneration Report, with the exception of the Tiered Contribution Pay Rates table on page 20, will be audited by the appointed auditors, Audit Scotland and the information reviewed by them to ensure it is consistent with other sections of the Annual Accounts.

### Remuneration Policy for the Leader of the Council, the Convener and Senior Councillors

The annual salary of the Leader of the Council and the upper limit for the annual salary of the Convener are set out by the Scottish Government in terms of the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007, as amended by the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2017. The salary for the Leader of the Council is £28,213 per annum (2016/17, £28,157) and for the Convener is £21,160 per annum (2016/17, £21,118).

In terms of the same Regulations, the Scottish Government permits Moray Council to nominate up to nine Senior Councillors (in addition to the Leader of the Council and the Convener) whose salaries in aggregate must not exceed a specified amount, currently £171,392 (2016/17, £171,050) and whose salaries individually must be on a specified scale, currently £16,927 to £21,160 (2016/17 - £16,893 to £21,118).

In addition to the senior councillors of the Council, the Regulations also set out the remuneration payable to Councillors with the responsibility of a Convener or a Vice-Convener of a Joint Board such as a Valuation Joint Board. The Regulations require the remuneration to be paid by the Council of which the Convener or Vice-Convener (as the case may be) is a member. The Council is also required to pay any pension contributions arising from the Convener or Vice-Convener being a member of the Local Government Pension Scheme.

The Convener of the Grampian Valuation Joint Board is a Moray Council Councillor. The Council is reimbursed by the Grampian Valuation Joint Board for any additional remuneration paid to the member from being the Convener of that Board. He has received an allowance for this responsibility which has been reimbursed by the Board. The Vice Chair of the Moray Integration Joint Board is also a Moray Council Councillor in accordance with the arrangements agreed by the Board in March 2015. He has received an allowance for this additional responsibility and this has been funded in full by the Moray Council.

### Remuneration Policy for Senior Officers

The salaries of Senior Officers are set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets out the salary for the Chief Executives of Scottish Local Authorities. Circular CO/149 was issued on 19 July 2017 and covers salary scales to be paid to Chief Officers for the period of 1 April 2017 to 31 March 2018. Corporate Directors receive 84% of the Chief Executive's salary. Moray Council does not pay bonuses or performance related pay.

### Remuneration of Senior Officers

The Regulations define a Senior Officer as an employee who meets one or more of the following criteria:

- i) A person who has responsibility for the management of the Local Authority to the extent that the person has the power to direct or control the major activities of the Authority, whether solely or collectively with other persons;
- ii) A person who holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of the Local Government and Housing Act 1989; or
- iii) A person whose annual remuneration, including any annual remuneration from a Local Authority subsidiary body, is £150,000 or more.

During 2017/18, the senior employees in Moray Council were the Chief Executive, three Corporate Directors with portfolio responsibilities for Corporate Services, Education and Social Care and Economic Development, Planning and Infrastructure Services, the Head of Financial Services who is the Council's Section 95 Officer and the Head of Legal and Democratic Services who is the Council's Monitoring Officer.

The term *remuneration* means gross salary, fees and bonuses, allowances and taxable expenses, and compensation for loss of employment. Remuneration details are shown on Table 3 attached. The table outlines the remuneration details for Senior Officers, including prior year figures. The table shows the relevant amounts, before tax and other deductions, for each of the persons named for the year to 31 March 2018. The table contains remuneration details for those persons who were Senior Officers in 2017/18. Salaries are paid monthly.

## Remuneration Report (continued)

### Remuneration of Senior Councillors

Under the Regulations, remuneration disclosures are to be made for the Leader of the Council, the Convener and any Councillor designated a Senior Councillor. In 2017/18, Moray had seven Senior Councillors, (six committee chairs and the Leader of the largest opposition group) and one Regulatory Board chair; each paid a salary of £21,160 per annum (2016/17, £21,118). The Convener of the Grampian Valuation Joint Board was a Moray Council Councillor in 2017/18 and received an allowance for this additional responsibility which was fully reimbursed to the authority. The Vice - Chair of the Moray Integration Joint Board was also a Moray Council Councillor in 2017/18 and was entitled to receive a salary of £20,103 per annum which was fully funded by the Moray Council.

Table 1 shows the relevant amounts, before tax and other deductions, for each of the persons named for the year to 31 March 2018. Following the election on 4 May 2017, the Council had no Senior Councillors for 19 days until 24 May 2017 when the Council's committee chairs were appointed. Councillors were paid the basic councillor salary of £16,927 (pro-rata) during this period. All salaries are paid monthly.

### Pension Entitlement

Pension benefits for Councillors and Local Government employees are provided through the Local Government Pension Scheme (LGPS) and for teachers and former teachers through the Scottish Public Pensions Agency. The pension is based on the person's pensionable service (how long he or she has been a member of the pension scheme) and his or her pay. For Councillors, the pension is based on "career average" - the aggregate of each year's pay (adjusted by inflation) is divided by the total number of years and part years they have been a member of the LGPS.

For officers, the pension is based on a career average from 1 April 2015. For service before this date, the annual pension is calculated by dividing their pay by 80 (60 for service after 31 March 2009) and multiplying this by their total membership. The normal retirement age (NRA) for service post 1 April 2015 is the same as for the state pension; the NRA for service pre 1 April 2015 is 65. Pensions payable are increased annually in line with changes in the Pensions (Increase) Act 1971 and Section 59 of the Social Security Pension Act 1975. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004.

A LGPS member's contribution depends upon his or hers full time equivalent pay. The tables of rates for 2017/18 and 2016/17 are shown below. The rates are the same for both years and the earnings bands have been updated for 2017/18.

#### Tiered Contribution Pay Rates

Whole time pay (2016/17 in brackets)	Contribution rate 2017/18	Contribution rate 2016/17
On earnings up to and including £20,700 (£20,500)	5.50%	5.50%
On earnings above £20,700 and up to £25,300 (£20,500 - £25,000)	7.25%	7.25%
On earnings above £25,300 and up to £34,700 (£25,000 - £34,400)	8.50%	8.50%
On earnings above £34,700 and up to £46,300 (£34,400 - £45,800)	9.50%	9.50%
On earnings above £46,300 (£45,800)	12.00%	12.00%

The value of benefits in Tables 4 and 5 attached have been provided by the North East Scotland Pension Fund (NESPF) and are calculated on the basis of the age at which the person will first become entitled to a full pension on retirement without reduction on account of its payment at that date: without exercising any option to commute pension entitlement into a lump sum: and without any adjustment for the effects of future inflation. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total Local Government service and not just their current appointment.

The pension entitlements for Senior Officers and Senior Councillors for the year to 31 March 2018 are also shown in Tables 4 and 5, together with the contribution made by the Council to each person's pension during the year. The tables contain information for those persons who were Senior Officers or Senior Councillors in 2017/18.

## **Remuneration Report (continued)**

### **Councillors' Remuneration**

The Council paid salaries, allowances and expenses to Councillors (including the Senior Councillors above) as detailed in the Table 2 attached for 2017/18. The annual return of Councillors' salaries and expenses is available to view on the Council's website at <http://moray.gov.uk>.

The annual return of Councillors' salaries and expenses is compiled under Scottish Local Authority Remuneration Committee (SLARC) guidance for public records whereas the Remuneration Report is compiled under a Scottish Statutory Instrument (SSI).

### **Remuneration of Officers receiving more than £50,000**

Table 6 details the number of employees whose remuneration was in excess of £50,000 during 2017/18 in bands of £5,000. The table includes the remuneration of the senior employees highlighted above.

### **Exit Packages of Employees**

The Council has agreed a number of exit packages as detailed on Table 7 attached. The exit packages shown are split between compulsory redundancies and other departures. The figures shown include redundancy, settlement costs for loss of employment and payments to the pension fund for early retirements agreed by Committee. The Council only agrees exit packages where they are consistent with wider workforce planning and service delivery objectives and where the savings accruing from an individual ceasing employment with the Council exceed the costs of the exit package within an acceptable period.

Remuneration Report (continued)

TABLE 1: Remuneration of Senior Councillors and Conveners and Vice-Conveners/Chairs of Joint Boards

Councillor Name	Responsibility	Salary, fees and allowances	Taxable Expenses	Total Remuneration 2017/18	Total Remuneration 2016/17
		£	£	£	£
<b>Senior Councillors</b>					
Stewart Cree	Leader of the Council until 4 May 2017	2,649	-	2,649	28,157
Allan G Wright	Convener of the Council until 4 May 2017	1,987	-	1,987	21,118
George Alexander	Chair, Communities Committee until 4 May 2017 and Leader of the Council from 24 May 2017	26,104	-	26,104	21,118
James Allan	Convener of the Council from 24 May 2017	18,088	-	18,088	-
Frank Brown	Vice-Chair of Moray Integration Joint Board from 24 May 2017	17,185	-	17,185	-
Gary Coull	Leader of the largest Opposition group until 4 May 2017	1,987	-	1,987	21,118
John Cowe	Chair, Economic Development & Infrastructure Services Committee until 4 May 2017 and from 24 May 2017	20,075	-	20,075	21,118
Gordon Cowie	Chair, Licensing Board until 4 May 2017 and from 24 May 2017	20,075	-	20,075	21,118
Lorna Creswell	Vice-Chair, Moray Integration Joint Board until 4 May 2017 and Chair, Communities Committee from 24 May 2017	20,075	-	20,075	21,118
Timothy Eagle	Chair, Children & Young People's Services Committee from 24 May 2017	18,088	-	18,088	-
Claire Feaver	Chair, Planning & Regulatory Services Committee from 24 May 2017 to 26 September 2017	7,273	-	7,273	-
Graham Leadbitter	Shared Leader of the largest Opposition group from 24 May 2017 and Convener of Grampian Valuation Joint Board from 30 June 2017 (Note 1)	17,872	-	17,872	-
Marc MacRae	Chair, Planning & Regulatory Services Committee from 20 December 2017	5,973	-	5,973	-

## Remuneration Report (continued)

**TABLE 1: Remuneration of Senior Councillors and Conveners and Vice-Conveners/Chairs of Joint Boards**

Councillor Name	Responsibility	Salary, fees and allowances	Taxable Expenses	Total Remuneration 2017/18	Total Remuneration 2016/17
		£	£	£	£
<b>Senior Councillors</b>					
Gordon McDonald	Chair, Audit & Scrutiny until 4 May 2017	1,987	-	1,987	21,118
Aaron McLean	Chair, Audit & Scrutiny from 24 May 2017	18,088	-	18,088	-
Shona Morrison	Shared Leader of the largest Opposition group from 24 May 2017 (Note 1)	16,279	-	16,279	-
Ronald H Shepherd JP	Convener of Grampian Valuation Joint Board until 4 May 2017	1,987	-	1,987	21,118
Anne Skene	Chair, Children & Young People's Services Committee until 4 May 2017	1,987	-	1,987	21,118
Chris Tuke	Chair, Planning & Regulatory Services Committee until 4 May 2017	1,987	-	1,987	21,118
Walter Wilson	Chair, Planning & Regulatory Services Committee from 27 September 2017 to 19 December 2017	4,843	-	4,843	-
<b>Total</b>		<b>224,589</b>		<b>224,589</b>	<b>239,337</b>

Note 1: It was agreed following the meeting of Moray Council on 24 May 2017 that Leadership of the largest Opposition group would be shared between Councillor Morrison and Councillor Leadbitter. The additional responsibility allowance for this post was shared equally between the two councillors from this date until 30 June when Councillor Leadbitter was appointed as Convener of the Grampian Valuation Joint Board. He was then entitled to the full additional responsibility allowance which has been reimbursed in full by the Board.

**TABLE 2: Remuneration paid to Councillors**

The Council paid the following salaries, allowances and expenses to all councillors (including the Senior Councillors above) during the year.

Type of Remuneration	2017/18	2016/17
	£	£
Salaries	481,149	481,683
Allowances	-	-
Expenses	34,081	37,664
<b>TOTAL</b>	<b>515,230</b>	<b>519,347</b>

## Remuneration Report (continued)

**TABLE 3: Remuneration of Senior Employees of the Council**

Name	Post Title	Salary, fees and allowances	Taxable Expenses	Total Remuneration 2017/18	Total Remuneration 2016/17
		£	£	£	£
Roderick D Burns	Chief Executive	108,141	-	108,141	106,769
Laurence Findlay	Corporate Director (Education and Social Care). Note 1	90,985	-	90,985	89,837
Rhona Gunn	Corporate Director (Environmental Services)	90,783	-	90,783	89,985
Alasdair McEachan	Head of Legal and Democratic Services (Monitoring Officer) Note 2	74,774	-	74,774	73,645
Lorraine Paisey	Head of Financial Services (Section 95 officer) from 3 July 2017. Note 3	55,397 (Full year equivalent £74,260)	-	55,397 (Full year equivalent £74,260)	-
Mark Palmer	Corporate Director (Corporate Services) until 31 July 2017. Note 4	35,179 (Full year equivalent £90,506)	-	35,179 (Full year equivalent £90,506)	96,638
Denise Whitworth	Acting Corporate Director (Corporate Services) from 3 July 2017. Note 4	67,635 (Full year equivalent £90,506)	-	67,635 (Full year equivalent £90,506)	-
Margaret Wilson	Head of Financial Services (Section 95 Officer) until 4 July 2017. Note 3	19,548 (Full year equivalent £74,260)	-	19,548 (Full year equivalent £74,260)	74,146
<b>TOTAL</b>		<b>542,442</b>	<b>-</b>	<b>542,442</b>	<b>531,020</b>

Note 1: Laurence Findlay has been working with the Northern Alliance as Regional Improvement Lead since January 2018. His full salary is shown above but 2 days of his salary per week has been refunded to the Council by the Northern Alliance partnership.

Note 2: Alasdair McEachan is the Council's Monitoring Officer and has the power to direct or control major activities of the authority so he is included above as a Senior Employee of the Council.

Note 3: Lorraine Paisey was appointed as the Council's Head of Financial Services from 3<sup>rd</sup> July 2017 following the retirement of Margaret Wilson.

Note 4: Denise Whitworth was appointed as Acting Corporate Director for Corporate Services from 3<sup>rd</sup> July 2017 following the resignation of Mark Palmer who left the organisation on 31<sup>st</sup> July 2017. Included above are payments that they received for their roles as Returning Officer and some of these costs were refunded by the Scottish Government.

## Remuneration Report (continued)

### Pension Benefits

**TABLE 4: Senior Councillors**

The pension entitlements for senior councillors for the year to 31 March 2018 are shown in the table below, together with the contribution made by the Council to each senior councillor's pension during the year.

		In-year pension contributions			Accrued pension benefits	
		For the year to 31 March 2018	For the year to 31 March 2017		As at 31 March 2018	Difference from March 2017
		£	£		£000	£000
Councillor Name	Responsibility					
Stewart Cree:	Leader of the Council until 4 May 2017	511	5,434	Pension Lump Sum	5 2	- -
Allan G Wright:	Convener of the Council until 4 May 2017	383	4,076	Pension Lump Sum	5 -	- -
George Alexander:	Chair, Communities until 4 May 2017 and Leader from 24 May 2017	5,038	4,076	Pension Lump Sum	3 -	1 -
James Allan:	Convener from 24 May 2017	3,491	-	Pension Lump Sum	2 -	- -
Gary Coull	Leader of the largest opposition group until 4 May 2017	383	4,076	Pension Lump Sum	3 1	- -
John Cowe:	Chair, Economic Development & Infrastructure until 4 May 2017 and from 24 May 2017	3,875	4,076	Pension Lump Sum	2 -	- -
Gordon Cowie:	Chair, Licensing until 4 May 2017 and from 24 May 2017	3,875	4,076	Pension Lump Sum	2 -	1 -
Lorna Creswell:	Vice-chair Moray Integration Joint Board until 4 May 2017 and Chair of Communities from 24 May 2017	3,875	4,076	Pension Lump Sum	3 -	1 -
Timothy Eagle:	Chair, Children & Young People from 24 May 2017	3,491	-	Pension Lump Sum	- -	- -
Claire Fever:	Chair, Planning & Regulatory Services from 24 May 2017 until 26 September 2017	1,404	-	Pension Lump Sum	- -	- -

Remuneration Report (continued)

TABLE 4: Senior Councillors

		In-year pension contributions			Accrued pension benefits	
		For the year to 31 March 2018	For the year to 31 March 2017		As at 31 March 2018	Difference from March 2017
		£	£		£000	£000
Councillor Name	Responsibility					
Graham Leadbitter	Shared Leader of the largest opposition group from 24 May 2017 and Convener of the Grampian Valuation Joint Board from 30 June 2017	3,449	-	Pension Lump Sum	3 1	- -
Marc MacRae	Chair, Planning & Regulatory Services from 20 December 2017	1,153	-	Pension Lump Sum	- -	- -
Gordon McDonald	Chair: Audit & Scrutiny until 4 May 2017	383	4,076	Pension Lump Sum	5 2	- -
Aaron McLean	Chair: Audit & Scrutiny from 24 May 2017	3,491	-	Pension Lump Sum	2 -	- -
Shona Morrison	Shared Leader of the largest opposition group from 24 May 2017	3,142	-	Pension Lump Sum	- -	- -
Anne Skene	Chair, Children & Young People until 4 May 2017	383	4,076	Pension Lump Sum	2 -	- -
Chris Tuke	Chair, Planning & Regulatory Services until 4 May 2017	383	4,076	Pension Lump Sum	2 -	- -
Walter Wilson	Chair, Planning & Regulatory Services from 27 September 2017 to 19 December 2017	935	-	Pension Lump Sum	- -	- -
<b>TOTAL</b>		<b>39,645</b>	<b>42,118</b>		<b>45</b>	<b>3</b>

Councillor Ronald H Shepherd JP and Councillor Frank Brown are not members of the Local Government Pension Scheme.

The pension benefits shown above relate to the benefits that the individual has accrued as a consequence of their total local government service and not just their current appointment.

## Remuneration Report (continued)

**TABLE 5: Senior Employees**

The pension entitlements of Senior Employees for the year to 31 March 2018 are shown in the table below, together with the contribution made by the Council to each Senior Employee's pension during the year.

		In-year pension contributions			Accrued pension benefits	
		For the year to 31 March 2018	For the year to 31 March 2017		As at 31 March 2018	Difference from March 2017
		£	£		£000	£000
Name	Post Title					
Roderick D Burns	Chief Executive	20,865	20,605	Pension Lump Sum	53 108	3 2
Laurence Findlay	Corporate Director (Education and Social Care)	17,553	17,335	Pension Lump Sum	22 38	2 -
Rhona Gunn	Corporate Director (Environmental Services)	17,517	17,362	Pension Lump Sum	25 31	2 -
Alasdair McEachan	Head of Legal and Democratic Services (Monitoring Officer)	14,419	14,242	Pension Lump Sum	24 35	2 -
Lorraine Paisey	Head of Financial Services (Section 95 Officer) from 3 July 2017	10,692	-	Pension Lump Sum	25 43	7 11
Mark Palmer	Corporate Director (Corporate Services) until 31 July 2017	6,627	18,171	Pension Lump Sum	35 63	1 1
Denise Whitworth	Acting Corporate Director (Corporate Services) from 3 July 2017	13,054	-	Pension Lump Sum	34 61	6 9
Margaret Wilson	Head of Financial Services (Section 95 Officer) until 3 July 2017	3,770	14,301	Pension Lump Sum	40 87	- -
<b>TOTAL</b>		<b>104,497</b>	<b>102,016</b>		<b>724</b>	<b>46</b>

All senior employees shown in the tables above are members of the Local Government Pension Scheme (LGPS). The accrued pension benefits figures shown above relate to the benefits that the person has accrued as a consequence of their total local government service and not just their current appointment.

## Remuneration Report (continued)

**TABLE 6: General Disclosure by Pay Band**

The following table provides details of the number of people paid by the Council whose remuneration is £50,000 or more. The table includes the remuneration of the senior employees detailed above.

Remuneration Band	Number of employees	
	2017/18	2016/17
£50,000 - £54,999	57	69
£55,000 - £59,999	35	23
£60,000 - £64,999	6	4
£65,000 - £69,999	4	1
£70,000 - £74,999	8	13
£75,000 - £79,999	3	1
£85,000 - £89,999	1	2
£90,000 - £94,999	2	-
£95,000 - £99,999	-	1
£105,000 - £109,999	1	1
<b>Total</b>	<b>117</b>	<b>115</b>

**TABLE 7: Exit Packages**

The following table shows the number of employees who have been awarded exit packages over the last two years. The information is in rising bands of £20,000 up to £100,000 and bands of £50,000 thereafter. The costs include redundancy costs, payments to the pension fund for early retirement and settlement costs for loss of employment.

Banding	2017/18			2016/17		
	Compulsory Redundancies	Other Departures	Total Cost	Compulsory Redundancies	Other Departures	Total Cost
	Number of Employees	Number of Employees	£	Number of Employees	Number of Employees	£
£0 - £20,000	7	8	90,746	3	1	26,574
£20,001 - £40,000	-	3	83,060	-	1	30,000
£40,001 - £60,000	1	1	90,264	-	-	-
£60,001 - £80,000	-	1	63,430	-	-	-
£100,001 - £150,000	-	1	113,236	-	-	-
£150,001 - £200,000	-	1	152,852	-	-	-
<b>Total</b>	<b>8</b>	<b>15</b>	<b>593,588</b>	<b>3</b>	<b>2</b>	<b>56,574</b>

## Remuneration Report (continued)

### Termination Benefits

During 2017/18 the Council terminated the contracts of 23 employees. The contracts were terminated as a result of either budget savings, the redesign of Council services or Council restructuring. The cost to the Council was £0.257M comprising £0.251M of redundancy payments (£0.015M 2016/17) and £0.006M of settlement costs for loss of employment (£0.042M 2016-17).

Payments to the pension fund for early retirement are not included in the termination benefits figures above.

### Trade Union (Facility Time Publication Requirements) Regulations 2017

The following tables show the information required to be published under the Trade Union (Facility Time Publication Requirements) Regulations 2017.

**Table 8: Relevant Union Officials**

What was the total number of your employees who were relevant union officials during the relevant period?

<b>Number of employees who were relevant union officials during the relevant period</b>	<b>Full-time equivalent employee number</b>
19	18.83

**Table 9: Percentage of Time Spent on Facility Time**

How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

<b>Percentage of time</b>	<b>Number of employees</b>
0%	8
1%-50%	9
51%-99%	1
100%	1

**Table 10: Percentage of Pay Bill Spent on Facility Time**

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

Provide the total cost of facility time	£127,946
Provide the total pay bill	£136,000,000
Provide the percentage of the total pay bill spent on facility time, calculated as:  (total cost of facility time / total pay bill) x 100	0.094%

**Table 11: Paid Trade Union Activities**

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:  (total hours spent on trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	9%
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**Councillor Graham Leadbitter**

**Leader of the Council**

**Roderick D Burns**

**Chief Executive**

**26 September 2018**