

## **INTRODUCTION**

1. This paper is the report of the Nottinghamshire County Council Independent Remuneration Panel (IRP) following an update review of the County Council's existing Councillors' Allowances Scheme) which was last reviewed in May 2022.

## **BACKGROUND**

2. The first Nottinghamshire allowances scheme was established following a report by an IRP in 2000. Subsequent reports from the IRPs between 2003 and 2022 have built on their predecessors' work.
3. The Panel last met in April 2022 following the Council's change in governance arrangements to a Cabinet system and its recommendations were agreed by Council on 12 May 2022. The report of the Panel is available online via the following link [Democratic Management System > Meetings \(nottinghamshire.gov.uk\)](https://www.nottinghamshire.gov.uk/ManagementSystem/Meetings). The resultant Members' Allowances Scheme is attached at **Appendix A**.
4. The Panel has been asked to consider the impact on the agreed Scheme of a recent change in political balance amongst the Council's Opposition groups, following the Eastwood by-election held on 3 November 2022.
5. As part of its considerations, the views of the Panel have also been sought about how best to apply the recently announced national Local Government Pay Services Agreement 2022-23 to Members' Basic and Special Responsibility Allowances.
6. In light of the relatively recent Panel findings in 2022, the Panel has not reconsidered the wider aspects of the Scheme, focussing solely on these two issues.
7. The membership of the IRP is:
  - a) Sir Rodney Brooke, CBE DL (Chair) who has long experience of Local Government as a Chief Executive. He has chaired independent remuneration panels for various authorities. He chaired and was a member of various public sector bodies.
  - b) Stephen Bray who is a former Corporate Director of Gedling Borough Council. He has first-hand experience of the work of an IRP and a detailed understanding of its role and function.

- c) Charles Daybell who is a former Chief Executive at Braintree District Council. He previously chaired Nottinghamshire County Council's Standards Committee.
- d) Madi Sharma who is a proprietor of a Nottinghamshire business. She is also a member of several independent remuneration panels.

The Panel was assisted in its considerations by Marjorie Toward, Monitoring Officer and Keith Ford, Team Manager, Democratic Services. However, the recommendations in this report are those of the IRP alone.

## **ISSUES CONSIDERED**

### **A) Special Responsibility Allowances for Opposition Leadership Roles**

8. In their considerations in April 2022, the Panel was mindful that the gap in Councillor numbers between the Main Opposition Group and the Minority Opposition Group had reduced further since May 2021 for various reasons. The Panel was keen to future-proof, as far as possible, its recommendations should further changes occur during the current administration.
9. This was how the Panel's report captured the specific issue in relation to Special Responsibility Allowances paid for the Group Leader, Deputy Group Leader and Group Business Manager roles:
  - *The Panel recognised that the gap in Member numbers between the Council's two minority groups had reduced further since the Panel made its recommendations in 2021.*
  - *The Panel remained supportive of the principle it established in 2017 and 2021 that:*
    - *Where there is always the possibility of a change of control, as in Nottinghamshire, the main Opposition Group has a particular responsibility in ensuring that it is in position to be the controlling group if circumstances change following an election. Members of the Main Opposition Group in their representations to the Panel confirmed that this is the approach it continues to take'.*
  - *The Panel considered different possible means of addressing the current gap in allowances but was mindful that an argument to change the current approach had not been put forward by those Councillors interviewed.*
  - *Further to the information gained in 2021, the Panel considered the fact that the Leader, in establishing his Cabinet, has chosen to give a specific portfolio to the Ruling Group's Business Manager. The Panel*

*recommends that the existing level of allowances for all other senior leadership roles within the Ruling Group, Main Minority Group and smaller Minority Group should remain unchanged, with the new Cabinet Member – Business Management role considered as part of the generic Cabinet Member roles.*

- *The Panel gave due consideration to the fact that the smaller Minority Group had changed its membership and name since the Panel last met. The Panel was aware that Members of the Group were from different political backgrounds but was satisfied that the Group still met the Local Government Act definition of a political group. It also had five or more Members thereby enabling it to qualify for SRAs as detailed in the Council's Constitution. Having heard from Members how the Group worked in practice, the Panel was also satisfied that the role of Group Business Manager continued to warrant an SRA, even though the Group did not enforce a group whip approach when voting.*
  - *In light of the reduction in the gap between the minority groups, the Panel proposes a slight amendment to the formula established in 2021 to allocate Opposition Spokesperson positions.*
  - *In terms of future-proofing its recommendations, the Panel considered Appendix 3, paragraph 21 of the Council's updated Constitution which states:*
    - *In the event of there being no Main Opposition as there are two groups of equal size, the Independent Remuneration Panel may be called as appropriate to consider how any roles and special responsibility allowances will be equitably allocated.*
  - *This point is applicable to the wider allocation of roles and special responsibility allowances, including any relating to committee Chairmen and Vice-Chairmen roles. The Panel endorses this and underlines that the existing cost envelope should be retained wherever possible.*
  - *In relation to senior leadership roles specifically within each group, the Panel recommends that the basic starting principle, subject to the specific circumstances in question, is that the amount of allowances currently paid for senior leadership roles in the Main Minority group and any other Minority Group/s that have increased its Member number to an equal amount should be totalled and distributed equally between those groups.*
10. This was the resultant recommendation, which was subsequently agreed by Full Council:

***That, subject to the specific circumstances in question, the amount of allowances currently paid for senior leadership roles in the Main Minority group and any smaller Minority Group/s that subsequently increase its number of Members to an equal***

**amount, should be totalled and distributed equally between those groups with no increase in the overall cost envelope.**

11. The impact of applying the ‘basic starting principle’ referenced above is outlined in the following table:

<b><u>Current Role Title</u></b>	<b><u>Current Amount Payable*</u></b>	<b><u>Current % of Leader’s Allowance</u></b>	<b><u>Proposed Role Title</u></b>	<b><u>Revised Amount Payable *</u></b>	<b><u>Revised % of Leader’s Allowance</u></b>
Leader of Main Minority Group	£23,645.95	66%	Leader of Opposition Group	£17,734.46	49.5%
Leader of Smaller Minority Group	£11,822.97	33%	Leader of Opposition Group	£17,734.46	49.5%
Deputy Leader of Main Minority Group	£8,598.53	24%	Deputy Leader of Opposition Group	£6,448.89	18%
Deputy Leader of Smaller Minority Group	£4,299.26	12%	Deputy Leader of Opposition Group	£6,448.89	18%
Group Business Manager of Main Minority Group	£8,598.53	24%	Group Business Manager of Opposition Group	£6,448.89	18%
Group Business Manager of Smaller Minority Group	£4,299.26	12%	Group Business Manager of Opposition Group	£6,448.89	18%
<b>TOTALS:</b>	<b>£61,264.50</b>	<b>171%</b>		<b>£61,264.48</b>	<b>171%</b>

- Not incorporating inflationary update

12. For the sake of clarity, it is suggested that the existing opposition Group descriptors be amended, for those circumstances where there is an equal number of Members and no longer a ‘main’ and ‘smaller’ opposition groups, to describe them as simply Opposition Groups. Should a further change in numbers occur or a smaller separate Group be established at any point during the current administration then the terminology should be reviewed at that point.

### **Recommendations 1-2**

- 1) That the amount of Special Responsibility Allowances paid for the Leadership roles within the Council’s two Opposition Groups be revised in line with the table above.**
- 2) That the descriptors of the Opposition Groups be amended for such circumstances as currently, whereby an equal number of Members are in such Groups, to refer to those Groups as simply Opposition Groups.**

## **B) Minority Spokespersons Roles**

13. The Panel in April 2022 recommended amending the formula used to allocate Opposition Spokespersons roles to reflect the change in numbers within the Smaller Minority Group and the new governance arrangements.
14. This was how the Panel's report addressed that issue:
  - *The importance of the Main Minority opposition spokesperson roles was recognised by previous IRPs. These roles have expanded with the more collegiate approach of joint working between the political groups taken in recent years resulting in greater input from such opposition Members, an approach which it is planned will continue in the new arrangements.*
  - *In 2017, the Panel agreed that an SRA be made available for the role of Main Minority Group spokesmen on committees at a rate of 22% of the Leader's SRA and that the allocation of these roles be the responsibility of the Main Minority Group.*
  - *In 2021, with reference to the discussions and recommendations made about reducing the gap between the SRAs for the leadership roles of the two Minority Groups, the Panel recommended that it would also be appropriate for the smaller Minority Group to receive positions to be paid at half of the level paid to the Main Minority Group for these roles (therefore half of 22%, i.e. 11% of the Leader's SRA).*
  - *In order to set a limit on the number of such positions, the Panel in 2021 recommended a formula whereby the Main Minority Group and smaller Minority Group would qualify for Opposition Spokesperson roles equating to 50% and 20% respectively of those Committees which qualify for a Chairman's SRA (rounded down to the nearest spokesperson role).*
  - *As part of the discussions around the new arrangements, the Ruling Group has agreed to offer two scrutiny Vice-Chairman positions (including Overview Committee) to the Main Minority Group and two such positions to the smaller Minority Group also. The Main Minority Group will also retain the Vice-Chairman role for Planning and Rights of Way Committee.*
  - *There are now nine Committees (including the four scrutiny committees) which attract a Chairman's SRA. If the number of committees for which a Vice-Chairman position has already been given to the relevant group are removed from the calculation for each Group, then under the current formula, the Main Opposition Group would qualify for three Opposition Spokesperson roles and the smaller Minority Opposition Group would qualify for one Opposition Spokesperson role (rounded down).*

- *In recognition of the increased number of Members which the smaller Minority Group has accrued since the Panel last met in 2021 the Panel recommends that the formula's percentage figure for the smaller Minority Group be increased from 20% to 30%. This would result in a further Opposition Spokesperson role being allocated to the smaller Minority Group, giving the Group two scrutiny Vice-Chairman positions and two Opposition Spokesperson positions.*
- *Should the numbers of Members of the existing smaller Minority Group reduce at some point during the current administration then the Panel feels that they should be consulted further at that point to potentially review this formula.*

The Panel feels that the 50% rate should be applied to both Opposition Groups and notes that in doing so, the Independent Alliance will be entitled to a further Opposition Spokesperson role (on the basis that there are 9 relevant Committees, minus the 2 for which the Group has a Vice-Chair position, rounded down to the nearest number of roles, which equals 3).

15. Whilst not making this point specifically around the role of Opposition Spokespersons within the Panel's report of May 2022, the Panel feel it is appropriate for the upgraded and additional roles to also be kept within the same cost envelope as currently, based on the 'basic starting principle' applied to the Opposition Leadership roles.
16. The following table outlines the proposed amounts working on that basis:

<u>Current Role Title</u>	<u>Current Number of roles</u>	<u>Current Amount Payable*</u>	<u>Current % of Leader's Allowance</u>	<u>Proposed Role Title</u>	<u>Revised Number of roles</u>	<u>Revised Amount Payable*</u>	<u>Revised % of Leader's Allowance</u>
Main Minority Group Spokesperson	3	£7881.98	22%	Opposition Group Spokesperson	3	£5,254.65	14.66%
Smaller Minority Group Spokesperson	2	£3940.99	11%	Opposition Group Spokesperson	3	£5,254.65	14.66%
<b>TOTALS:</b>	<b>5</b>	<b>£31,527.92</b>	<b>88%</b>		<b>6</b>	<b>£31,527.90</b>	<b>88%</b>

- Not incorporating inflationary uprate

### **Recommendations 3-4**

- 3) That the number of Opposition Spokesperson roles be increased to 6 at this point in the administration, in line with the previously agreed formula.**
- 4) That the amount of Special Responsibility Allowances paid for the Opposition Spokesperson roles within the Council's two Opposition Groups be revised in line with the table above.**

**C) Responding to any further changes in political balance**

17. The Panel considered the potential for further changes in political balance for the remaining period of the Council's current administration.
18. The Panel felt that if the composition of the Opposition Groups were to change further ahead of the next County Council elections in 2025 so that there was again a distinction in numbers of Members between the Opposition Groups, then, subject to the specific circumstances in question, the basic starting principle should be to revert to the Scheme agreed in May 2022.
19. The terminology used to describe the various Groups should also be revisited as appropriate.
20. The views of the Panel should be sought prior to any such further changes.

**Recommendation 5**

**5) That if the composition of the Opposition Groups changes further in the current administration, so that there is again a distinction in numbers of Members between the Opposition Groups, then, subject to the specific circumstances in question and seeking the views of the Panel, the basic starting principle should be to revert to the Scheme agreed in May 2022.**

**D) Inflationary Uprate**

21. In previous years, the Panel has agreed to continue the approach whereby Members' allowances are automatically uprated in line with the headline pay rise for staff. A number of other Councils take a similar approach.
22. The situation this year has been somewhat complicated by the fact that the national Local Government Pay Services Agreement 2022-23 has resulted in a flat rate set amount of £1925 being awarded to all officers on NJC pay grades rather than the usual percentage increase. This approach means that everyone on the NJC pay spine would receive a minimum 4.04% pay increase.
23. That figure has also been used to inform the agreed increase level for staff allowances of 4.04%. Although this figure relates primarily to staff allowances rather than Members' Allowances, the Panel was assured by the fact that the calculation of this figure was directly linked to the £1925 flat rate.
24. As such, the Panel felt that this was a suitable figure to apply in terms of the inflationary uprate on this occasion, backdated to 1 April 2022.

25. The Panel feels that this is an appropriate and affordable level of increase, recognising the ongoing increases in the cost of living. The Panel also understands that other IRPs are considering taking a similar approach.
26. The Panel agreed that, as is the usual practice, the same level of uprate should also be applied to the allowances paid to Statutory Co-optees, Co-opted Members and Independent Persons. This would result in an increase in the annual amount paid for each such person from £639 to £665.

### **Recommendation 6**

**6) That Members' Basic and Special Responsibility Allowances and the allowance paid to Statutory Co-optees, Co-opted Members and Independent Persons be increased by 4.04%, backdated to 1 April 2022, in line with the 'allowances' increase agreed in the Local Government Pay Services Agreement 2022-23.**

#### Budget

27. As mentioned previously, the Panel is firmly of the view that any changes to the Special Responsibility Allowances for Opposition Members arising from the recent changes in political balance should be contained within the existing cost envelope for those Groups.
28. The total amount of SRAs claimable in 2022-23 at the current levels is £712,244.55. The total amount of SRAs claimable will increase from 48 to 49, with the addition of a further Opposition Spokesperson role but by keeping SRAs in the same cost envelope as described above, the total amount will not be changed by the revisions.
29. If applying the 4.04% allowances uprate referenced in the national Local Government Pay Services Agreement 2022-23 to the Members' Allowances Scheme, the overall total amount of Special Responsibility allowances claimable will be £741,018. The Basic Allowance amount will increase by £617.22 to £15,894.98 per Member.
30. The other elements of the Scheme agreed in May 2022 should continue unaltered.
31. As on this occasion, the views of the Panel should be sought where circumstances require.

Sir Rodney Brooke  
CBE, DL

Stephen Bray

Charles Daybell

Madi Sharma