

meeting COUNTY COUNCIL

date 17 December 2009

agenda item number **8**

REPORT OF THE CHIEF EXECUTIVE

MEMBERS ALLOWANCES SCHEME – REPORT OF THE INDEPENDENT REMUNERATION PANEL

Purpose of the Report

1. To consider the report of the Independent Remuneration Panel on the Nottinghamshire Members' Allowances Scheme and to approve amendments to the Scheme.
2. It is estimated that the panel's recommendations on travel and subsistence will produce savings of approximately £67,000. In addition the recommendations to remove special responsibility allowances from some roles will reduce the allowances available within the scheme by some £60,000 annually, as detailed in Appendix 3.

Background

3. Under the Local Authorities (Members' Allowances) (England) Regulations 2003 before a council makes or revises a members allowances scheme it is required to have regard to a report from an Independent Remuneration Panel (IRP).
4. The regulations specify that the IRP must recommend on:
 - a) the amount of basic allowance
 - b) the responsibilities or duties in respect of which special responsibility, travelling and subsistence, and co-optees' allowances should be available and the amount of such allowances
 - c) whether dependants' carers' allowance should be payable and the amount of such an allowance
 - d) whether the level of allowances should be index-linked
 - e) which members of an authority are to be entitled to pensions

5. If a scheme is index-linked it must be reviewed at least every four years. The current scheme was agreed by the County Council on 18th May 2006.
6. Earlier this year, the outgoing chair and the two vice-chairs of the Standards Committee, assisted by the Monitoring Officer, undertook a recruitment exercise for independent members of the IRP. This included placing advertisements inviting applications, shortlisting and interviewing candidates. Following their recommendations the County Council at its meeting on 21st May appointed an IRP consisting of
 - a) Sir Rodney Brooke CBE, DL (Chair) who has long experience of Local Government as a Chief Executive; has chaired independent remuneration panels for various authorities; and chairs and is a member of various public sector bodies.
 - b) Madi Sharma who is proprietor of Nottinghamshire businesses and “Ambassador” for Nottingham. She is also a member of several other independent remuneration panels.
 - c) Richard Hassett who is a former independent Chair of the Nottinghamshire Police Authority and non-executive Director of the Doncaster and Bassetlaw Hospitals NHS Foundation Trust. He is also a former Chair of the Nottinghamshire Magistrates Courts Committee.
7. The IRP met In June 2009 to make interim recommendations on aligning the existing scheme with the changed circumstances and structures after the County Council elections. At the time the panel indicated its intention to undertake a more thorough review later in the year.
8. The IRP met on 2nd and 3rd November and took evidence in person or in writing from a number of members from all parties. They have produced the attached report, the main findings of which are summarised below.

Independent Remuneration Panel Report

9. The panel recognises in its report that these are challenging times for local government and that the current economic climate has put significant pressure on public spending. It undertook its review against the backdrop of the County Council’s medium term financial strategy assumption that savings of £80 million need to be found over the next three years and the expectation of continuing restraint on public sector pay.
10. Having reviewed the basic allowance and in the absence of evidence to the contrary the IRP considers that the level which was set remains appropriate and that it remains appropriate to index-link this to pay

awards for local government staff. This linkage is likely to mean low increases, if any, over the next few years.

11. The panel also recommends that the current overall rates of special responsibility allowances which are based on a proportion of the rate for the Leader, index-linked to the local government pay settlement should continue.
12. The panel noted that it is difficult for large and complex local authorities, such as the County Council, to comply with government expectations that typically no more than 50% of councillors should receive an SRA. However, it reviewed the current roles eligible for SRA and concluded that a total of nine roles should cease to attract an allowance. Consequently, the report recommends
 - a) An increased allowance for the Chair of Pensions from Band 7 to Band 6 to recognise that the role is becoming increasingly onerous
 - b) That the maximum number of Deputy Cabinet Members should be limited to six
 - c) Since meetings of the Standards Committee or assessment sub-committees cannot be chaired by an elected member, that the Vice-Chairs of Standards Committee should be deleted from the scheme
 - d) As the role of Chair of Administration Committee is now specifically reserved to the Leader of the Council it should be deleted from the Scheme
 - e) Since the Planning and Licensing Committee is non political that the Main Minority Group spokesperson on the committee should be deleted from the scheme.
 - f) That the Vice-Chair of Appeals should be deleted from the scheme.
 - g) That the Assistant Whips of the Majority and Minority groups, Group Secretary of the majority group, and School Governors Co-ordinator of the minority group be deleted from the scheme. To make it absolutely clear that the SRA is awarded for the management role undertaken rather than any political role, the IRP further recommended that the role of Whip be re-named "Business Manager".
13. The Panel also recommends that the scheme should include arrangements for paying allowances during periods of absence due to sickness, maternity or adoption leave; and that the Standards Committee be authorised to approve deputising allowances when a member acts up during a period of absence.
14. The IRP confirmed its view that travel and subsistence allowances for Members should be aligned with the terms and conditions that the Council applies to its officers. Therefore, it recommend that the revised

local scheme for officers which is currently under discussion should, if approved, apply to councillors from the same date and that any future changes to the officer scheme as applied locally should also apply to members. This would mean that members would no longer be able to claim subsistence, other than in exceptional circumstances, and that mileage allowances would be limited to the HM Revenue and Customs rate of 40p per mile. It is estimated that these changes represent a saving of some £67,000 per annum.

15. The panel received representations on the payment of dependents' carers' allowances and agreed that the Council's interpretation was unnecessarily restrictive. It recommends that the allowances should be available per dependent where appropriate.
16. At previous reviews the IRP has considered the provision of IT for members. The panel now takes the view that IT is an essential "tool of the trade" for councillors and not something on which they should deliberate on in the future. The panel recommends that responsibility for the Members' IT policy should rest with the Administration Committee.

Proposals

17. The recommendations from the Independent Remuneration Panel are summarised in Appendix 1. The panel has estimated that its recommendations should lead to a reduction in spending on travel and subsistence of some £67,000 annually and a reduction in the allowances available of some £60,000, as detailed in Appendix 3.
18. Following discussions it is proposed to accept the recommendations in their entirety subject to amending the recommendation at para 43 (summarised in section 14 above) to set a definite date to implement the proposals on travel and subsistence for members (1st April 2010).

RECOMMENDATIONS

It is recommended that

- I. The report of the IRP be accepted and the Independent Remuneration Panel be thanked for their work
- II. The recommendations as set out in Appendix 1 be agreed (subject to implementing the travel and subsistence changes as set out in III below.
- III. Changes to special responsibility allowances and changes to travel and subsistence allowances be implemented from 1st April 2010; and that changes to the interpretation of the Dependents' Carers' Allowance be implemented from the 1st January 2010.

- IV. The Monitoring Officer be authorised to make the necessary revisions to the Constitution to implement the recommendations set out above.
- V. The Chief Executive be authorised to reconvene the IRP if necessary to consider future changes to the members allowances scheme.

Mick Burrows
Chief Executive

Service Director (Finance) Comments

The 2009/10 budgets for SRA, Travel and Subsistence total £766,000. This is based on the current scheme of allowances. The changes recommended will be a saving against this budget. (MB 07/12/09)

Legal Services Comments (SLB 19/11/2009)

Council has authority by virtue of Article 4 of the Council's Constitution which stipulates that only Full Council will exercise the function of adopting an allowances scheme for Members. The Scheme of Members Allowances as adopted by Full Council states that any amendments will be determined solely by the County Council following receipt of recommendations from the Independent Remuneration Panel (IRP). By virtue of Regulation 19 of the Local Authorities (Members' Allowances) (England) Regulations 2003 the Council has a duty to have regard to the recommendations of the IRP before making or amending a scheme of allowances.

Background Papers Available for Inspection

Nil

Electoral Divisions Affected

All

Schedule of Recommendations

- I. Recommend that the level which was set for basic allowance remains appropriate and that it remains appropriate to index-link this to pay awards for local government staff.
- II. Recommend that the current overall rates of special responsibility allowances, , index-linked to the local government pay settlement should continue.
- III. For Chair of Pensions recommend an increase from Band 7 to Band 6
- IV. Recommend a maximum of six Deputy Cabinet Members
- V. Recommend no change to the scale for Chair of Standards at this time
- VI. Recommend no change to the scale for Chair of Overview at this time
- VII. Recommend that the Vice-Chairs of Standards Committee be deleted from the scheme
- VIII. Recommend that Chair of Administration Committee be deleted from the scheme
- IX. Recommend that the Main Minority Group spokesperson on Planning and Licensing be deleted from the scheme.
- X. Recommend that the Vice-Chair of Appeals be deleted from the scheme.
- XI. Recommend that the Assistant Whips, Group Secretary, and School Governors Co-ordinator be deleted from the scheme.
- XII. Recommend that the group whip roles should be re-named “Business Manager”
- XIII. Recommend the following arrangements for councillors in receipt of an SRA
 - All sickness absence must be appropriately certified in accordance with the principles of the officer scheme
 - Payment of SRA for the first six months of absence is at the full rate, reducing to 50% after six months and ceasing after twelve months. The Standards Committee would be authorised to vary this in exceptional circumstances.
 - For the first three months of absence any deputising arrangements will be without additional pay. For absences continuing after three months (up to a maximum of 12 months) the Standards Committee would be able to create a deputising allowance up to the SRA for the post. Any Member would only be entitled to claim one SRA or deputising allowance at any one time.

- In calculating periods of sickness the Standards Committee would be able to disregard small periods of return to work if the illness is of continuing nature.
- XIV. Recommend a maternity leave period of up to three months on full SRA. The same provisions should apply for adoption leave. The paternity leave arrangement should be for one week's absence on full SRA. Normal leave arrangements and emergency situations not to affect SRA's. Extended absence, for example service in the TA or jury service should be in line with officer guidelines.
- XV. Recommend that the revised local scheme for travel and subsistence allowances for officers should apply to councillors from the same date. Any future changes to the officer scheme as applied locally should also apply to members. In recognition of the time given voluntarily by members of Educational Appeal Panels lunch should be provided at no charge by the Council for Panel meetings.
- XVI. Recommend that the scheme be amended so that the maximum dependents' care allowance within the scheme is payable per child or dependent. Also recommend that in circumstances of particular difficulty the Standards Committee be authorised to increase the allowance payable
- XVII. Recommend that responsibility for Members' IT policy should rest with the Council and suggest that Administration Committee is the appropriate body to consider the impact of technology changes

