

Report to Council

Subject: Independent Remuneration Panel - Report and recommendations for 2019/20

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Purpose

To inform Council of the latest report from the Council's Independent Remuneration Panel (IRP), relating to member remuneration for 2020/21, and invite Council to consider the recommendations made by the Panel.

Recommendations

- 1) To consider the report of the Independent Remuneration Panel and whether to accept the recommendations contained in the report;**
- 2) Consequent on those recommendations, to agree the schedule of members' allowances for 2020/21 as attached at Appendix 2 to this report which are subject to any pay award applied for senior management;**
- 3) To authorise the Monitoring Officer to make appropriate amendments to Part 6 of the Constitution to reflect any changes to the members' allowances scheme agreed.**

Background

The Council's Independent Remuneration Panel met in January to carry out its annual review of members' allowances.

Following that meeting, the Panel prepared a report to members with regard to the level of members' allowances to be payable for 2020/21.

Proposal

The Panel's report, including associated recommendations, is attached at Appendix 1.

Should Council be minded to accept the Panel's recommendations on Basic Allowances and Special Responsibility Allowances, then the level of allowances to be paid to members for 2020/21 will be as set out at Appendix 2.

The Panel have also made recommendations on a new list of approved duties as detailed in the report.

Financial Implications

Should Council accept the Panel's recommendations, then costs can be accommodated from within existing budgets. Members should note that any staff pay award has not been factored in to any of the figures at Appendix 2

Appendices

Appendix 1 – Report of the Independent Remuneration Panel 2020/21

Appendix 2 – Indicative schedule of Members Allowances 2020/21

Appendix 3 – Proposed list of approved duties.

APPENDIX 1

Report of the Gedling Independent Remuneration Panel held on 31 January 2020.

Introduction

- 1.1 The Independent Remuneration Panel was established under the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) to provide advice and recommendations to the Council on its Members' Allowances Scheme and amounts to be paid under it.
- 1.2 The panel received administrative support from the Service Manager, Democratic Services. Also present at the meeting, in an advisory capacity, were the Director of Organisational Development and Democratic Services (Monitoring Officer) the Senior Finance Business Partner.
- 1.2 The Panel's Terms of Reference are as follows:

The Independent Remuneration Panel will review, on an annual basis, the level and extent of allowance payments made to Borough Councillors having particular regard to:

- The role of Councillor and the importance of effective democratically accountable local government and community leadership;
- The scale and complexity of the Council's operations and changes taking place in the various roles Councillors are expected to fulfil and the particular responsibilities attached to the various roles;
- The time commitment required from Councillors to enable both the Council and individual Councillors to be effective in their various roles; and
- The importance of encouraging people from all backgrounds and circumstances to serve in local government without suffering financial loss as a consequence of their membership of the Council.

The Panel will also:

- Consider the level and extent of travel and subsistence allowances including dependent carers' allowance; and
- Review the payment of allowances and expenses payable in relation to attendance at seminars, conferences and other council business.

The Panel's operation:

- The Panel is comprised of three Independent members
- Panel members are recruited by public advertisement and should be of good standing in the community either as a resident and/or a stakeholder in the Borough. Ideally members should have sound knowledge of employment and financial matters with an understanding of the operations of a local authority.
- The Panel is advisory in nature and the recommendations it makes are not binding on the authority. However, the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) requires Council to "have regard" to the Panel's recommendations when setting its allowances.

Process

- 2.1 A Strategic Review of Members' Allowances took place in 2015. The Review looked in detail at all allowances paid to Members including the Basic Allowance and all positions attracting a Special Responsibility Allowance. The Review resulted in a completely rewritten scheme of members' allowances. The Panel made a series of recommendations to Council in March 2016 and a new scheme was agreed by Members. The Panel met at the end of 2016 to review the scheme for the 2017/18 year and aside from the 1% increase in line with the local government pay award, no changes to the scheme were recommended. For the year 2019/20 an uplift was agreed in line with the pay award to senior local government staff which was subsequently set at 2%.
- 2.2 The Panel met on 31 January 2020 and all members of the Panel were present.
- 2.3 As is usual practice prior to the meeting, all members of the Council were contacted directly and asked for their views on the current levels of allowances paid to members.
- 2.4 Two submissions were received by the Panel.
 - 2.4.1 The first talked about consideration being given to an increase in members' allowances to cover inflation and to consider the introduction of a mileage payment for councillors attending meetings of parish councils in their wards. It was the view of the Panel that increases to Members' Allowances should be closely aligned to increases in staff

pay. The Panel concluded that as the staff pay award has not risen in line with inflation for a number of years it would be inappropriate for any rise pegged to inflation to be applied to members' allowances. On the point about a mileage payment being made to ward councillors attending parish council meetings in their areas, the panel felt that as it was not a requirement for a Borough Councillor to attend parish meetings in their wards, it would not be appropriate for an allowance to be paid for this purpose.

- 2.4.2 The second submission received from a political group said that the members disagreed with the establishment of a special responsibility allowance for the post of party business manager as they felt that this was political in nature and public finances should not be subsidising political activities. In response to this the Panel reiterated their previous concerns that the post of Business Manager was party political in nature and therefore, should not attract the payment of an SRA. This recommendation, they noted, had consistently not been agreed by the majority of Council members but they reiterated their opposition to such an allowance being included.
- 2.4.3 One response was received from a co-opted members which said that they believed the current rate of allowance was appropriate.

Panel's Deliberations

- 3.1 The Panel heard from Officers that the operations of the Council and the workload of members had not significantly changed since the last review. They also heard that, in general, satisfaction levels with pay in the workforce remained broadly the same. This view was echoed by the recent employee survey.
- 3.2 The Panel also heard that since the 2019 local elections, the political makeup of the council had changed so that there was now 4 groups that made up the Council: the Labour, Conservative, Liberal Democrat and Independent Groups with 29, 8, 2 and 2 members respectively. It was therefore felt that a change in methodology on how opposition group leader and business manager allowances were calculated was necessary to better reflect the realities of the time commitment needed for these roles and to bring this into line with how other comparable local authorities with multiple opposition groups of varying sizes paid their allowances. After a number of suggested ways to achieve this, the Panel agreed that there should be a "per member" element to the

allowances basis and the following was suggested:

Majority Group Leader (Leader of the Council) – no change.

Main Opposition Group Leader – allowance calculated at 25% of the Leader's SRA plus £150 per member to result in a total of £4,798

Minority Group Party Leaders – allowance calculated at £150 per member (no percentage element).

Business Managers (agreed as only applicable to the two largest groups) – based on a flat allowance of £150 per member. In making these comments, the Panel reiterated their concerns about the existence of an SRA for the position of business manager as outlined at paragraph 2.4 above.

- 3.3 The Panel next discussed the suggestion from Officers of introducing a rate of allowance for travelling, subsistence and Childcare/dependent carers' payments. It was explained that the current scheme simply sets out that such allowances are "payable as appropriate". In order to clarify and add transparency to the process, it was suggested that the scheme specifies that the travelling and subsistence rate is equivalent to those detailed in the NJC employees' terms and conditions.

Until the May 2019 election, there has only been very occasional instances of Members claiming Childcare/dependent carers' payments. The new intake of councillors in 2019 is from a much broader range of backgrounds and officers have received a number of queries as to the amount of dependent carer and childcare allowance that can be claimed. It is therefore considered sensible to suggest a defined rate of allowance for this to provide clarity to councillors and set an overall ceiling of payment. In line with the results of workload surveys and members censuses, a maximum number of 15 hours per week was agreed as being a sensible limit for such payments. In common with other local authorities it was agreed that the person providing the care may not be a close relative defined as spouse, partner (opposite or same sex cohabitantes), parents, children, brothers, sisters, grandparents and grandchildren. The paid care attendant must also sign a receipt to show that they have cared for the dependant during the hours claimed for.

The panel recognised that it is important to offer these allowances to councillors so they are not discouraged from carrying out council work by their personal responsibilities. In line with other comparable local

authorities it was agreed to recommend that such allowances are paid at up the rate of the “real living wage” (currently £9.30 per hour).

- 3.4 The Panel next noted that the National Pay Award for senior local government staff had not yet been agreed. In previous years the Panel had recommended that Member’s Allowances increase in line with the pay award for Senior Managers and saw no reason not to make this recommendation for the coming year. As discussed in paragraph 2.3 above, the panel could see no reason to propose that an increase should be any different to the any award for senior managers.
- 3.5 Finally the Panel considered including a list of approved duties in the Members Allowances scheme. Currently the scheme simply makes reference to Reg 8(1) of the 2013 Regulations but provides no practical information to the public or members. It was explained that including such a list would give greater clarity and transparency to the member claim process. A suggested list, based on The Local Authorities (Members' Allowances) (England) Regulations 2003, was circulated to the Panel. Panel Members agreed with that the list should be included as Schedule 2 to the Members’ Allowances Scheme.

Proposals

Basic Allowance

- 3.6 On the issue of Basic Allowance the Panel concluded that their findings and recommendations from the previous review were still relevant. A recommendation to increase the basic allowance in line with the pay award for senior managers was agreed.

Special Responsibility Allowances (SRAs)

- 3.7 As discussed in paragraph 3.2 above the Panel decided to recommend a new rate of Special Responsibility Allowance payable to Leaders of Opposition Groups and Party Business Managers. Rates were proposed as follows:

Main Opposition Group Leader: 25% of the Leader’s Allowance plus £150 per elected member in the group.

Minority Opposition Group Leaders: £150 per elected member in the group.

Business Managers (for the majority and main opposition groups only):
£150 per elected member in the group.

The Panel felt that similar to the Basic Allowance, no new information had come to light since the strategic review to suggest altering any of the other SRAs that are currently paid. The Panel heard that since their last meeting there had been no material change in any role that attracted an SRA so a recommendation to increase the other allowances in line with the pay award for senior managers was agreed.

Dependant Carer's and Childcare allowances

- 3.8 As discussed in paragraph 3.3 above, the Panel is recommending that a defined rate of up to £9.30 per hour is payable to cover childcare and dependent carer's allowances. Each claimant would be entitled to claim for up to 15 hours per week. The person providing the care may not be a close relative defined as spouse, partner (opposite or same sex cohabitantes), parents, children, brothers, sisters, grandparents and grandchildren. The paid care attendant must also sign a receipt to show that they have cared for the dependant during the hours claimed for.

Co-opted Allowance

- 3.9 Finally on allowances, the Panel considered the level allowance paid to co-opted members. They heard from the Monitoring Officer that at Gedling, co-opted members sit on the Standards Committee. They also heard that since changes to how member complaints were dealt with made in 2012, the work of the Standard Committee has reduced and the role of the co-opted member has become less onerous. The Panel received information from the Monitoring Officer and in light of this concluded that they would like to recommend that the current level of £500 should remain.

Approved Duties

- 3.10 The Panel recommended the inclusion of a list of approved duties for the purposes of claiming mileage, subsistence and dependent carer's allowances in order to provide clarity to members and the public on what was a claimable expense.

Recommendations

The Panel recommends to Council:

- 1) That the basic allowance payable to all Members' from 1 April 2020 should be increased in line with the pay award made to local government senior management (once it is known);
- 2) Special Responsibility Allowances should be increased in line with the pay award made to local government senior management with no further changes except to the roles of Main Opposition Group Leader, Minority Opposition Group Leaders and Business Managers as detailed in paragraph 3.6 above;
- 3) In order to increase the transparency and add clarity, the Members' Allowances Scheme should be updated to reflect that Members travelling and subsistence payments are made in line with the rate applicable to NJC employees.
- 4) A list of approved duties, as detailed in Appendix 3 to this report, should be introduced into the Allowances Scheme.
- 5) To introduce a defined hourly rate equivalent of up the prevailing rate for the "real living wage" (currently £9.30 per hour) payable to cover childcare and dependent carer's allowances for a maximum of 15 hours per week. The person providing the care may not be a close relative defined as spouse, partner (opposite or same sex cohabitantes), parents, children, brothers, sisters, grandparents and grandchildren. The paid care attendant must also sign a receipt to show that they have cared for the dependant during the hours claimed for.

APPENDIX 2 (please note these figures have not been uplifted in line with any pay award)

From 1 April 2020 until 31 March 2021 inclusive:

	Percentage of the Leader's Allowance	Per Annum (£)
Leader of Council	100%	14,391.39
Deputy Leader of the Council	80%	11,513.11
Cabinet Members	50%	7,195.70
Leader of Main Opposition Group	25% plus £150 per elected member	4,798
Leader of Minority Opposition groups	Flat fee of £150 per elected member	300.00 (x 2 groups)
Level One Committee Chair (Planning and Environment and Licensing Committees)	35%	5,036.99
Level Two Committee Chair (Audit and Overview and Scrutiny Committees)	25%	3,597.85
Level Three Committee Chair (Joint Consultative and Safety and Standards Committee)	10%	1,439.14
Business Manager of Majority and Main Opposition Groups	Flat fee of £150 per elected member	4350.00 (majority) 1200.00 (main opp)
Mayor	37.5%	5,396.77
Deputy Mayor	12.5%	1,798.92
Policy Adviser	12.5%	1,798.92
1. From 1 April 2020 until 31 March 2021 the Basic Allowance payable to each Councillor		4,190.04
2. Co-opted Members		500.00
3. Dependent Carers Allowance of up to <u>£9.30</u> per hour payable to cover childcare and dependents. The person providing the care may not be a close relative defined as spouse, partner (opposite or same sex cohabitantes), parents, children, brothers, sisters, grandparents and grandchildren. The paid care attendant must also sign a receipt to show that they have cared for the dependant during the hours claimed for.		
4. Travelling and subsistence payable at the currently in force NJC employee rate.		

APPENDIX 3

List of Approved Duties

Attendance at:

- 1 Formal meetings of the Council, including Committees and Sub-Committees and any other authorised meeting of these bodies or event organised by these bodies (including joint committees), where the councillor has been appointed by the Council as a member or a substitute member.
- 2 Formal meetings of the Cabinet its sub committees and any other authorised meetings thereof where the councillor has been appointed by the Leader/Council as a member.
- 3 Ad-hoc formally constituted working groups/panels (e.g. scrutiny working groups) where the councillor is (a) a named member of the body or (b) is formally invited to participate
- 4 Meetings of Nottinghamshire County Council committees/sub committees where the councillor has been appointed by the Council as a member or a representative
- 5 Meetings of bodies to which the Council makes appointments except where the body itself pays allowances to the Council's representative (the approval relates to meetings of the body itself; its standing committees/sub committees but not to other activities of the body)
- 6 Meetings of any local authority association of which the Council is a member where the councillor is the appointed representative or nominated substitute
- 7 Any conference or training where attendance is authorised by the Council
- 8 Any Council premises, or other agreed location, for a meeting agreed with either a member in receipt of an SRA or an Officer for the purpose of discussing matters relating to Council business in which it is reasonable to expect the councillor to have an interest
- 9 Briefing meetings at the invitation of an Officer of the Council provided that the members of at least two political groups have been invited
- 10 An approved agenda setting meeting or member development/awareness raising/seminar activity organised by the Council
- 11 Official site visits by members of the Planning Committee

- 12 Any site visit or inspection visits undertaken by members approved by or on behalf of the Council
- 13 Tender opening meetings where invited by an Officer to attend

Performance of:

- 14 Duties carried out by a member holding an office for which a special responsibility allowance applies.
- 15 Any particular duty for which express authority is given by or on behalf of the Council in case of emergency.
- 16 Such other duty for which prior approval has been given by the Chief Executive, in consultation with the Leader.